



Daily Report

East Asia

FP/3-EAS-99-058
Monday
29 March 1999

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

East Asia

FBI-EAS-96-058

CONTENTS

25 March 1996

NOTICE: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Tokyo, Washington Apart on First Day of Air Cargo Talks [KYODO]	1
Japan: Hashimoto Thinks Recovering Futatabi Base 'Difficult' [KYODO]	1
Japan: Court Orders Ota To Sign U.S. Base Lease Papers [KYODO]	1
Japan: More on Court Ordering Ota To Sign U.S. Base Leases [KYODO]	2
Japan: Government Moves To Secure Continued U.S. Base Land Leases [KYODO]	3
Japan: Villagers Rally Supports Proxy Signing Rejection [OKINAWA TIMES 23 Mar]	4
Japan: Government Trying To Locate Alternate Camp Hansen Site [KYODO]	5
Japan: DFPA: No Plans To Ban Landowners From U.S. Sobe Facility [RYUKYU SHIMPO 24 Mar]	5
Japan: DFPA Decides To Ban Landowners From U.S. Facility at Sobe [Tokyo TV]	5
Japan: Poll Notes U.S. Security Tie 'Should Be Dissolved' [RYUKYU SHIMPO 24 Mar]	6
Japan: Ural on Need for Cooperation in Security Arrangement [NIHON KEIZAI SHIMBUN 25 Mar]	7
Japan: Article on USFJ Facilities With 1997 Expiration Leases [ASAHI SHIMBUN 24 Mar]	7
Japan: Official Asks Study of Toxins at Returned U.S. Facility [RYUKYU SHIMPO 23 Mar]	7
Japan: Editorial Views U.S. Base Toxic Pollution [RYUKYU SHIMPO 22 Mar]	8
Japan: Return of MCAS Futenma, Government Talks Viewed [OKINAWA TIMES 23 Mar]	9
Tokyo Praises Signing of Nuclear Treaty for South Pacific [KYODO]	10
Japan: Ministry 'Concerned' Over Ideas of Reconstructing Soviet Union [KYODO]	10
Japan: Smuggling Causes 'Wide Gap' in Crab Trade With Russia [KYODO]	10
Japan: Hashimoto 'Will Not' Attend Li Teng-hui's Inauguration [KYODO]	11
Japan: Ikeda Advocates PRC-Taiwan Direct Talks [MAINICHI SHIMBUN 24 Mar]	11
Japan: Foreign Minister Urges PRC-Taiwan Dialogue [KYODO]	11
Japan: Business Circles Welcome Taiwan Election Results [NIHON KEIZAI SHIMBUN 24 Mar]	12
Japan: Article Views Government's Stance Toward PRC, Taiwan [NIHON KEIZAI SHIMBUN 24 Mar]	12
Japan: Article Views Effects of PRC-Taiwan Tension [ASAHI SHIMBUN 24 Mar]	12
Tokyo, Islamabad Sign Accords Worth Over 49 Billion Yen [Islamabad TV]	13
Japan: SRV Official Tells Ikeda of Push for Economic Reform [KYODO]	14
Tokyo Offers 13.55 Billion Yen Loan to Morocco [KYODO]	14
Japan: Deregulation Plans 'Fall Short' of Panel's Recommendations [KYODO]	14
Japan: Ruling Coalition Agrees on Telecom Market Deregulation [KYODO]	14
Japan: JETRO Says Manufactured Imports Surged in 1995 [KYODO]	15
Japan: Central Bank Reports 'Moderate' Recovery of Economy [KYODO]	15
Japan: Think Tank Predicts 2.5 Percent GDP Growth in 2001-2010 [KYODO]	16
Japan: Business Group Predicts GDP To Expand 2.3 Percent [KYODO]	16
Japan: Trade Minister Backs Call for Lower Corporate Tax [KYODO]	16
Japan: BOJ Expected To Tighten Inspection on Derivatives Trading [KYODO]	17
Japan: Cosmos Credit Liquidated; Kyodos Bank Takes Over Operations [KYODO]	17
Japan: Government To Allow Trust Banks To Use Bad Loans Reserves [KYODO]	17
Japan: Banks Considering Giving Up Loans to Housing Firm [KYODO]	18
Japan: MOP Studies Securitization of Bad Loans by Brokers [KYODO]	18

Japan: Applications for Government Housing Loans Increasing [KYODO]	18
Japan: Hashimoto-Ozawa Talks Create 'Stir' Within Ruling Parties [YOMIURI SHIMBUN 22 Mar]	19
Japan: Coalition-Backed Candidate Wins Upper House By-Election [KYODO]	19
Japan: Diet Returning to Normal After Stalemate on 'Jusen' [KYODO]	20

North Korea

DPRK Paper Urges Withdrawal of U.S. Sanctions on Cuba [KCNA]	20
DPRK: ROK Berated for Supporting U.S. Actions in Taiwan Strait [Pyongyang Radio]	21
DPRK: ROK Call for U.S. Role in Taiwan Crisis 'Sycophantic' [KCNA]	22
DPRK: U.S.-ROK 20-21 Mar 'War Exercise' Denounced [KCNA]	22
DPRK Paper on ROK Foreign Minister's Trip to U.S. [KCNA]	22
DPRK: ROK Planned 28 Mar Military Maneuvers Criticized [KCNA]	23
DPRK: Kim Yong-sam Military Preparedness Remarks Criticized [KCNA]	23
DPRK Paper on Remarks by ROK Air Force Chief of Staff [KCNA]	24
DPRK Paper Urges Release of Chong Min-chu, Yi Hye-chong [KCNA]	24
DPRK: ROK Official's Alleged Illegal Fortune Noted [KCNA]	24
DPRK: Meeting on Forcible Drafting of Koreans Held in Tokyo [KCNA]	25
DPRK: Japan's Fear of DPRK, PRC 'Threat' Said Excuse [KCNA]	25
DPRK: NODONG SINMUN Observes Day of Pakistan [KCNA]	25
DPRK: WPK Delegates Return Home From Yugoslavia, Bulgaria [Pyongyang Radio]	25
DPRK: Overseas Koreans Support DPRK Peace Initiative [KCNA]	26
DPRK Paper Dedicates Article to World Meteorological Day [KCNA]	26
DPRK: Kim Chong-il Inspects Revolutionary Relics of KPA Unit [Pyongyang Radio]	26
DPRK: Kim Chong-il Visits KPA Central Front 20 Mar [Pyongyang Radio]	27
DPRK: Russian Group Urges Marking Kim Il-song's Birthday [KCNA]	28
DPRK: Anniversary of Korean National Association Observed [KCNA]	29
DPRK: Yi Chong-ok, Chang Chol Attend GPULAK Meeting [KCNA]	29
DPRK: Art Show Urges 'Live Today for Tomorrow' [KCNA]	30

South Korea

ROK President Kim, New U.S. Pacific Commander Meet 21 Mar [CHOSON ILBO 22 Mar]	30
ROK: AmCham Urges Visa Waivers, OECD Membership for ROK [THE KOREA TIMES 23 Mar]	30
ROK: U.S. Declassified Documents on 1980 Events Viewed [YONHAP]	31
ROK: Need for Presence of U.S. Troops Discussed [THE KOREA TIMES 24 Mar]	31
ROK: U.S. Pressure To Further Open Telecom Market Increasing [THE KOREA TIMES 24 Mar]	32
ROK Daily Views Kung No-myong Role in U.S.-PRC Ties [SEOUL SINMUN 23 Mar]	33
ROK: U.S. Report Suggests DPRK Collapse 'Has Already Begun' [CHOSON ILBO 25 Mar]	34
ROK: U.S. Report on DPRK Chemical, Biological Weapons Cited [Seoul Radio]	34
ROK: Reported U.S. Proposal for Apr MIA Talks With DPRK Viewed [CHOSON ILBO 23 Mar]	34
ROK: Coca-Cola To Complete Pyongyang Factory 'Soon' [YONHAP]	35
ROK: Coca-Cola Denies Report on Factory in Pyongyang [YONHAP]	35
ROK's Kim Yong-sam: ROK 'Fully' Ready for Any 'Danger' [YONHAP]	35
ROK: Kim Yong-sam on DPRK Military, Economic Situation [THE KOREA HERALD 23 Mar]	36
ROK: DPRK 'Preparing' SPA Election for Kim Chong-il Takeover [The Chongang Ilbo WWW]	36
ROK: DPRK 'Stagnant' Steel Industry, Energy Shortages Noted [YONHAP]	36
ROK: NUB Says DPRK Economy Shrank 6 Percent in 1995 [THE KOREA TIMES 23 Mar]	37
ROK: Global Organization Plans Agricultural Aid to DPRK [TONG-A ILBO 24 Mar]	37
ROK: DPRK 'Food Self-Sufficiency Rate' at 'Only 41.5 Percent' [THE KOREA TIMES 24 Mar]	37

ROK: IPRC Delivers ROK Flood Relief Goods to DPRK (YONHAP)	38
ROK: ACDPU Booklet Cited on DPRK 'Present Situation' (SEOUL SINMUN 19 Mar)	38
ROK: DPRK WPK International Department Head Profiled (HANGUK ILBO 25 Mar)	39
ROK: Anti-DPRK 'Conspiracies' Uncovered in PRC (YONHAP)	40
ROK: PRC Ambassador to ROK Discusses Taiwan Issue (TONG-A ILBO 24 Mar)	40
ROK Ministry Official Views Taiwan Elections, Tension (YONHAP)	41
ROK: MNU Minister, Russian Envoy Inaugurate Culture Council (YONHAP)	41
ROK: Korean Air, Asiana To Increase Guam, Saipan Flights (THE KOREA TIMES 23 Mar) .	41
ROK Article Discusses Sea Power, Need for Stronger Navy (THE KOREA HERALD 23 Mar)	42
ROK: Kim Yong-sam Interviewed on Election, NKP Successor (MAEIL KYONGJE SINMUN 22 Mar)	43
ROK Papers Urge Investigation of Kim Yong-sam Aide (CHUNGANG ILBO, etc.)	44
ROK: Trial of Officers Involved in 1979 Coup Reported (YONHAP)	44
ROK Minister Hopes Financial Institutions Merge Voluntarily (THE KOREA TIMES 24 Mar)	45

SOUTHEAST ASIA

Burma

Burma: Statement Urges Thai Government Not To Deal With SLORC (BurmaNet News)	47
Burma: Rangoon Prepares Expansion of Border Trade With Thailand (THAILAND TIMES 24 Mar)	47
Burma: Karen National Union Urged To Review Cease-Fire Demands (THAILAND TIMES 25 Mar)	48
Burma: Rangoon Troops Reportedly Defect to Karenni Forces (THAILAND TIMES 22 Mar) .	48

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Kamil, U.S. Official Discuss Taiwan, Burma, Bosnia (THE STAR 23 Mar)	48
Malaysia: Kuala Lumpur 'Prepared' To Train UN Peacekeepers (THE STAR 23 Mar)	49
Malaysia: New Australian Government's Foreign Policy Viewed (THE STAR 25 Mar)	49
Malaysia: Daily Urges Japan To Revise Loan Repayment Structure (BERITA HARIAN 22 Mar)	50
Malaysia: Mahathir Holds Talks With Polish Premier 22 Mar (THE STAR 23 Mar)	51
Malaysia: Polish Premier Urges Tapping Potentials in 3d Countries (THE STAR 23 Mar)	51
Malaysia: Trade, Cooperation Agreements Signed With Poland (Warsaw Radio)	51
Malaysia: Polish Prime Minister Concludes 3-Day State Visit (Kuala Lumpur TV)	52
Malaysia: Minister Guarantees Intellectual Rights of Foreign Firms (NEW STRAITS TIMES 20 Mar)	52
Malaysia: Mahathir Comments on Technology Transfer in Car Industry (SUNDAY STAR 24 Mar)	52

Singapore

Singapore: Article Questions ARF Role in PRC-Taiwan Crisis (BUSINESS TIMES 20 Mar) ..	53
Singapore: Physician Updates Reporters on Lee Kuan Yew's Health (THE SUNDAY TIMES 24 Mar)	53
Singapore: FPDA 8-Day Air Defense Exercise Under Way (THE STRAITS TIMES 23 Mar) ..	54

Cambodia

Cambodia: Ranariddh Asks Do Muoi To Intervene on Border Talks (REAKSMEI KAMPUCHEA 21 Mar)	54
Cambodia: Hun Sen Vows To Solve Border Problems Peacefully (Phnom Penh Radio)	55
Cambodia: 'Serious Rift' Emerging in Coalition Government (Melbourne International)	55
Cambodia: Paper Confirms Ranariddh's Threat of Withdrawal (REAKSMEI KAMPUCHEA 23 Mar)	56

Cambodia: Royalist FUNCINPEC Threatens Withdrawal From Government (AFP)	56
Cambodia: FUNCINPEC Deputy Premier 'Secretly' Demoted (CHAKKRAVAL 21 Mar)	57
Cambodia: Banned Opposition Party Leader Takes Control of Legal Party (AFP)	58
Cambodia: Official Reports Railway Line Disrupted by Khmer Rouge (REAKSMEI KAMPUCHEA 24 Mar)	58
Cambodia: Government Troops Said Prepared To Use Thai Territory (Radio PGNUNS)	59

Indonesia

Indonesia: Progress of East Timor Talks in Austria Reported (KOMPAS 22 Mar)	59
Indonesia: 'Seven-Point Declaration' Issued at East Timor Talks (KOMPAS 23 Mar)	60
Indonesia: Portugal Cites Conditions for Normalization of Ties (ANTARA)	60
Indonesia: Alatas Praises Intra East Timor Meeting in Austria (Jakarta Radio)	61
Indonesia: 'Inconsistent Economic Policies' Criticized (KOMPAS 22 Mar)	61
Indonesia: Japanese Envoy Comments on National Car Project (ANTARA)	62
Indonesia: Dailies Propose Ways To Deal With Irian Jaya Unrest (Jakarta Radio)	63

Philippines

Philippines Military Analysts on U.S. Navy Use of Ports (BUSINESS WORLD 23 Mar)	63
Philippines Columnist Blames U.S., Taiwan for Crisis With PRC (THE MANILA CHRONICLE 12 Mar)	63
Philippines Military Chief Denies Using Nerve Gas on Muslim Rebels (BUSINESS WORLD 22 Mar)	64
Philippines: Public Sector Deficit Declines to 2.7 Billion Pesos (MANILA BULLETIN 15 Mar)	65

Thailand

Thai Police Official Criticizes U.S. Human Rights Report (THE SUNDAY POST 24 Mar)	65
Thai Daily Urges Banhan To Raise Taiwan Issue With PRC (KRUNGTHEP THURAKIT 23 Mar)	65
Thailand: Banhan, Delegation Depart on Official Visit to PRC (Bangkok Radio)	66
Thailand: Prime Minister Lauds Outcome of Taiwan Election (THE NATION 25 Mar)	66
Thailand: Hmong Relocation to Holding Center Planned (THE SUNDAY POST 24 Mar)	67
Thailand: Egyptian Foreign Minister Pays Visit (Bangkok Radio)	67
Thailand: Egypt's Maza Receives French Message, Leaves Bangkok (Cairo MENA)	68
Thailand: Banhan Holds Talks With Polish Counterpart (Bangkok Radio)	68
Thai Politicians Close to Prime Minister Make Presence Felt (THE NATION 23 Mar)	68
Thai Senate 'Overwhelmingly' Dominated by Businessmen (THAILAND TIMES 23 Mar)	69
Thai Supreme Commander, Air Force Chief Comment on Senator List (THE NATION 23 Mar)	70
Thai Ministry: 1995 Trade Deficit Rose 40 Percent (BANGKOK POST 25 Mar)	70
Thai Daily Urges Government To Improve Labor Situation (THE NATION 25 Mar)	70

Vietnam

SRV: Cambodian King Receives Party Delegation, Stresses Ties (Hanoi Radio)	72
SRV: Cambodian Second Premier Pledges Peace for Border Issue (Hanoi Radio)	72
SRV: Osaka Businessmen Assured on Improved Investment Law (VNA)	72
SRV: Tax Agreement With Russia Extended 21 Mar (VNA)	73
SRV Deputy Prime Minister Receives Yemeni Delegation (VNA)	73
SRV: All Party Committees Complete Grass-Roots Congress (Hanoi Radio)	73
SRV: Labor Code Violations at Foreign Invested Firms Noted (VNA)	73
SRV Meeting Held on Encroachment of Yen Phu-Nhat Tan Dike (HANOI MOI 15 Mar)	74

AUSTRALASIA

Australia

Australia: Government Welcomes Signing of Nuclear Free Zone Treaty (Melbourne International)	76
---	-----------

Japan

Tokyo, Washington Apart on First Day of Air Cargo Talks

OW2503190396 Tokyo KYODO in English
1344 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japanese and U.S. aviation negotiators remained at loggerheads at the end of the first day of three-day bilateral air cargo talks, although Washington made a new proposal on Japanese access to U.S. airports, Japanese officials said Monday (25 March).

At the beginning of the session — the fifth round in the current series of negotiations which started in September — the U.S. side said "beyond rights" are important for the country, noting U.S. carriers can exercise them unconditionally and without limits.

Japan has been arguing that the exercise of the rights should be restricted due to the imbalance of Japanese and U.S. trans-Pacific aviation capacities.

Washington offered to award Nippon Cargo Airlines (NCA) with more flights to the United States if Japan grants U.S. carriers the right to fly beyond Japanese cities to third countries, according to the officials.

The Japanese negotiators, on the other hand, repeated the proposal they had made in the previous three-day session held in Washington between Feb. 25 and March 1, they said.

Tokyo proposed freezing discussions on the interpretation of beyond rights for three years. It also called for awarding NCA with privileges under the 1952 Japan-U.S. Aviation Treaty.

Japan airlines is currently the only Japanese cargo carrier with privileges under the treaty, while two U.S. carriers — Federal Express and Northwest Airlines — are eligible for them.

If the U.S. accepts the proposal, Japan will grant Federal Express and other U.S. cargo carriers with new landing slots at Japanese airports, including rights for service to third countries under beyond rights, the officials said.

The U.S. did not clearly respond to the Japanese proposal, they added.

"The U.S. side apparently wants to make sure that Japan considers beyond rights as a vested U.S. interest," said a senior official at Japan's transport ministry. "The two sides are nowhere near a situation where they can fill the gap instantly."

Japan: Hashimoto Thinks Recovering Futenma Base 'Difficult'

OW2503160796 Tokyo KYODO in English
1505 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — Prime Minister Ryutaro Hashimoto told Okinawa Gov. Masahide Ota on Friday (22 March) that speedily recovering the Futenma Marine Airfield, as the southernmost Japanese prefecture wishes, is "difficult," meeting participants said.

The premier, responding to Ota's request for swift recovery of the military facility from U.S. use, said the situation is difficult but he will do his utmost so that some progress can be achieved by next fall, according to Deputy Chief Cabinet Secretary Teijiro Furukawa.

Hashimoto and Ota held a three-hour unofficial meeting at a Tokyo restaurant Friday evening to discuss the U.S. military presence in Okinawa.

Furukawa and Okinawa Vice Gov. Masanori Yoshimoto also attended the session.

Ota told reporters after the meeting that the prospects for Futenma Base that brightened when Hashimoto met U.S. President Bill Clinton in late February in California may have become dimmer again due to the current strained China-Taiwan relations.

The governor also reiterated that he cannot obey the central government's demand, which goes against prefectural people's wishes, that he sign documents needed to force unwilling local landowners to renew leases of their land to the U.S. military.

On Monday, a high court is scheduled to hand down a ruling on a lawsuit in which the prime minister demands that Ota sign documents needed to force the renewal of contracts covering use of private land for U.S. bases.

Some of the lease contracts expire at the end of March.

Ota and Hashimoto spent most of their time together discussing history, industry and other general issues, Furukawa said.

The two had previously met Jan. 23 at the Prime Minister's Official Residence, when the premier pledged to "sincerely" deal with Okinawa requests for U.S. base cutbacks.

Japan: Court Orders Ota To Sign U.S. Base Lease Papers

OW2503011896 Tokyo KYODO in English
0108 GMT 25 Mar 96

[FBIS Transcribed Text] Naha, Japan, March 25 KYODO — The Naha branch of the Palmyra High Court

ordered Okinawa Gov. Masahide Ota on Monday (25 March) to sign documents needed for the continued forced rental of land to the U.S. Military.

The ruling came on the heels of a petition filed by Prime Minister Ryutaro Hashimoto's predecessor, Tomiichi Murayama, last December that sought a court order forcing Ota to sign the documents after Murayama had received a letter from Ota rejecting the prime minister's instructions to sign them.

Ota is the first prefectural governor to be taken to court by a prime minister for refusing to execute a job ordered by the central government under the local autonomy law.

Ota has maintained that his refusal follows the will of the Okinawan people, claiming that the concentration of U.S. military facilities in Okinawa infringes on their constitutional rights to live in peace, and local landowners' property rights.

Ota's refusal came against the backdrop of a surge in public outcry over the U.S. military presence on the southwestern Japanese island since the rape of a 12-year-old schoolgirl last September by three U.S. servicemen.

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total area and is located about 1,600 kilometers southwest of Tokyo.

Presiding Judge Ichiro Otsuka said in the ruling that U.S. military bases in Okinawa should be phased down and the government's responsibility is heavy.

Otsuka also said a special law to expropriate land reserved for the U.S. Military is not unconstitutional.

Japan: More on Court Ordering Ota To Sign U.S. Base Leases

OW2503034096 Tokyo KYODO in English
0315 GMT 25 Mar 96

[FBIS Transcribed Text] Naha, Japan, March 25 KYODO — The Naha branch of the Fukuoka High Court ordered Okinawa Gov. Masahide Ota on Monday (25 March) to sign documents needed for the continued forced rental of land to the U.S. military, bringing victory for the government which sued the governor.

In handing down the verdict after only four hearings, presiding Judge Ichiro Otsuka issued the order on the grounds that Ota's refusal to sign the documents "significantly hinders the public interest."

The judge rejected Ota's claim that the compulsory expropriation of land for U.S. military use under a special law on land reserved for the U.S. military is

unconstitutional because it infringes on landowners' property rights and thereby he could refuse to sign the documents.

Otsuka said the governor has no authority to make a judgment on whether or not the compulsory expropriation of land for the U.S. military is illegal.

"It could be understood that Gov. Ota refused to sign the documents as an unavoidable choice in view of the U.S. military bases in Okinawa, local residents' feelings and the future of Okinawa... [ellipses as received] But it is difficult to draw a conclusion that he can refuse to do so," Otsuka said.

Chief Cabinet Secretary Seiichi Kajiyama urged Ota to obey the ruling and sign the documents needed to force local landowners to renew lease contracts on their lots for use of the U.S. military by the time part of the contracts expires at the end of this month.

Kajiyama appreciated that the high court ruled "speedily and appropriately."

The top government spokesman declined to make clear what the government would do if Ota refuses to accept the court demand.

The government will do its utmost for reduction of U.S. bases in Okinawa and prevention of noise from the facilities, he told a press conference.

The legal wrangling came on the heels of a petition filed by Prime Minister Ryutaro Hashimoto's predecessor, Tomiichi Murayama, last December seeking a court order to force Ota to sign the documents after Murayama had received a letter from Ota rejecting the prime minister's instructions to sign them.

Ota is the first prefectural governor to be taken to court by a prime minister for refusing to execute a job ordered by the central government under the local autonomy law.

Ota has maintained his refusal follows the will of the Okinawan people, claiming the concentration of U.S. military facilities in Okinawa infringes on their constitutional rights to live in peace, and local landowners' property rights.

Ota's refusal came against the backdrop of a surge in public outcry over the U.S. military presence on the southwestern Japanese island since the rape of a 12-year-old schoolgirl last September by three U.S. servicemen.

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total area and is located about 1,600 kilometers southwest of Tokyo.

In reference to the huge U.S. military presence in Okinawa, Otaoka said base-related problems should be resolved through consolidation and reduction in U.S. bases in a step-by-step manner and the state has high responsibility for doing so.

The documents in question are those for renewing land leasing contracts for a total of 35,000 square meters of land owned by Okinawans, including a 236-square-meter plot in Yomitan used for a U.S. telecommunications facility whose leasing contract expires at the end of March.

Given time-consuming legal procedures and Ota's resolve not to sign the documents, the central government will likely fail to finish the necessary legal steps for renewing the Yomitan leasing contract before its expiration, meaning that "illegal occupation" of the land will be unavoidable.

Shoichi Chibana, the 47-year-old owner of the Yomitan plot, said he will try to get into the plot together with his children to play traditional Okinawan music on April 1.

"There is no reason for being refused to enter my land," he said.

The Defense Facilities Administration Agency said it will build a fence around the U.S. telecommunications facility in Yomitan from Tuesday in order to avoid confusion.

Hashimoto is expected to sign the documents on behalf of Ota as early as Friday because Ota is likely to refuse to follow the court order.

Even if Hashimoto signs the documents, he would have to ask for approval by a prefectural panel on compulsory expropriation to expropriate the land now occupied by 13 U.S. military facilities.

At the same time, Hashimoto is also expected to seek approval from the prefectural panel to use the plot in Yomitan for six months as an emergency step allowed under the law on land reserved for the U.S. military.

The panel is expected to spend about 10 days discussing whether or not to approve the emergency use of the land though its first meeting on the case is unlikely to take place within this month.

The panel consists of seven members appointed by the prefectural governor, including some named by Ota.

"I hope the governor will sign the documents following the ruling," Hashimoto told reporters at his office when asked to comment on the ruling.

"The content of the ruling is very severe for Okinawa Prefecture," said Ota, adding, "It's very regrettable from a constitutional idea and the spirit of local autonomy that

it does not show any direction for resolving base-related problems."

"I have my own thoughts (about how to respond to the ruling), but I cannot make a decision (on whether to follow the court order) alone. I want to consult with groups concerned," he said.

Defense Agency Chief Hideo Usui welcomed the ruling.

"It's a reasonable decision because under the Japan-U.S. Security Treaty, we are obliged to provide the U.S. military with base stability," Usui told reporters.

Japan: Government Moves To Secure Continued U.S. Base Land Leases

OW2503124696 Tokyo KYODO in English
1158 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO —

- The government will take steps to secure continued use of U.S. military facilities in Okinawa after a court ruling earlier in the day that settled the legal dispute over forced lease of land for U.S. bases, government officials said Monday [25 March].

The government plans to file a request with the Okinawa prefectural compulsory expropriation committee as soon as Friday to allow an emergency use of one tract of land after the current lease contract expires at the end of March.

Even if permission for the emergency use is given within about 10 days, as expected, there will still be about a week of "legal vacuum," the officials said.

The cabinet of Prime Minister Ryutaro Hashimoto hopes to prevent the "illegal occupation" from developing into another legal squabble that might cast a shadow over the visit by U.S. President Bill Clinton to Japan in April.

The government believes it can reject the landowners' request for permission to enter their own land within the U.S. facilities after the rental expires by pointing to a Japanese Government obligation under the Japan-U.S. Security Treaty to supply facilities for U.S. forces.

The Naha branch of the Fukuoka High Court on Monday ordered Okinawa Gov. Masahide Ota to sign documents needed for the continued forced rental of land to the U.S. military.

Ota had refused to do so against the backdrop of a surge in public outcry over the U.S. military presence on Okinawa Prefecture since the rape of a 12-year-old schoolgirl last September by three U.S. servicemen.

About 75 percent of all Japanese land for U.S. military use is concentrated in Okinawa, which accounts for only

0.6 percent of Japan's total area and is located about 1,600 kilometers southwest of Tokyo.

The documents in question are those for renewing land leasing contracts covering a total of 35,000 square meters, including a 236-square-meter plot in Yomitan used for a U.S. telecommunications facility for which the contract expires at the end of March.

Given time-consuming legal procedures and Ota's resolve not to sign the documents, the central government will likely fail to finish the necessary legal steps for renewing the Yomitan lease contract before its expiration, meaning that "illegal occupation" of the land will be unavoidable.

The Defense Facilities Administration Agency said it will build a fence around the U.S. telecommunications facility in Yomitan on Tuesday in order to avoid confusion.

Hashimoto is expected to sign the documents on behalf of Ota as early as Friday because the governor is likely to refuse to follow the court order.

Even if Hashimoto signs the documents, he will have to ask for approval by the prefectural panel on compulsory expropriation to expropriate the land now occupied by 13 U.S. military facilities.

At the same time, Hashimoto is also expected to seek approval from the prefectural panel to extend use of the Yomitan plot for six months as an emergency step allowed under a law on land reserved for the U.S. military.

The panel is expected to spend about 10 days discussing whether or not to approve the emergency use of the land though its first meeting on the case is unlikely to take place within this month.

The panel consists of seven members appointed by the governor, including some named by Ota.

If the panel fails to give the permission quickly, the government may be forced to seek a court injunction to ban entrance to the facilities.

Japan: Villagers Rally Supports Proxy Signing Rejection

*OW2403113596 Naha OKINAWA TIMES in Japanese
23 Mar 96 Morning Edition p 29*

[FBIS Translated Excerpt] Yomitan — The court will hand down its decision on the suit concerning the order for the governor to perform his duties in connection with the procedures for enforced use of land as U.S. military bases on 25 March. With the approach of this verdict, the "Yomitan Villagers Rally To Support Governor Ota's Rejection of Proxy Signing and To Demand

a Fair and Just Verdict" was held at the Yomitan Auxiliary Airfield on the evening of 22 March. The rally was sponsored by the rally's executive committee (with Village Mayor Tokushin Yamauchi as chairman) composed of 21 organizations in the village. This was the first rally sponsored solely by a local city, town, or village since the trend of growing antibases movements started last September.

While the cold wind was blowing, about 550 villagers, including many senior citizens, attended the rally. Participants adopted four slogans, including one on supporting the governor. Standing firmly on the military base, the participants shook their fists in anger.

The rally was held in the eastern part of the Yomitan Auxiliary Airfield. However, U.S. military facilities are still located in the western part of the airfield on the other side of the main airstrip. And parachuting exercises are still held here regularly.

The rally started on the main airstrip at 1730 local time.

In his greeting remarks, Mayor Yamauchi stated his determination, and said on the platform: "Under the heavy pressure caused by the military bases, our villagers have continued to suffer from discriminatory treatment. We could not develop our village as we wanted to. Last year, the Okinawan people rose against the military bases. It is a turning point in history, and neither the Japanese nor the U.S. Government could stop this great trend. In refusing to sign the leases by proxy, Governor Ota has started a struggle backed by the Okinawan people's opinions."

Then, representatives from various organizations took the platform. In giving his encouragement, Village Assembly Speaker Terukazu Gibo stated: "We hope that Governor Ota will carry on his efforts so that this airfield can be returned to us completely." Shinei Yamauchi, leader of the village federation of senior citizens groups, stressed in his appeal: "Without any examination, the court has decided to cheat and trample down our people. We will never forgive such trials. Let us support the governor so that our younger generation can cherish its dreams."

Participants listened to their expressions of determination with enthusiasm. [passage omitted on remarks by others, including leader of senior citizens, a local elderly lady, and a farmer]

The rally adopted a resolution and the following four slogans: We support Governor Ota's rejection of signing the leases by proxy. We demand that a fair and just verdict be issued at the 25 March trial. We will do our best to build a hometown where the younger generation can cherish its hopes and dreams for the 21st century.

And We demand the complete return of the Yomitan Airfield.

Japan: Government Trying To Locate Alternate Camp Hansen Site

OW2303112796 Tokyo KYODO in English
1045 GMT 23 Mar 96

[FBIS Transcribed Text] Tokyo, March 23 KYODO — The government will start inspecting five Self-Defense Forces (SDF) firing ranges next month in an effort to locate alternative sites for a range at the U.S. military's Camp Hansen in Okinawa prefecture, officials said Saturday (23 March).

The government has been pressed to find alternative sites for the range, which straddles a prefectural highway. During drills, a 3.7-kilometer stretch of the highway must be closed.

The U.S. military earlier requested that the government move the Okinawa range to the SDF's Higashifuji firing range in Shizuoka prefecture, west of Tokyo, but the government is considering naming two or more sites to quell opposition from local residents, rotating the sites picked in a short period of time.

In Yufuin, Oita prefecture, southwestern Japan, citizens and local assembly members held a rally last Sunday opposing the proposed relocation of U.S. drills to the SDF Hijudai range in their town.

In addition to Hijudai, the government will send inspectors to four other ranges — Yausubetsu in Hokkaido, Ojojibara in Miyagi prefecture, both northern Japan, and Higashifuji and nearby Kitafuji in Shizuoka and Yamanashi prefectures, respectively.

According to the defense agency, the U.S. military carries out live-ammunition drills at Camp Hansen in the town of Kia about 10 times a year, with some 100 troops participating in each drill.

Under a new bilateral agreement, Japan is to shoulder the costs of the U.S. military's future live-fire drills on the mainland, and the government thus hopes to maintain the number of new sites for U.S. firing drills.

People in Okinawa have long called for reduction and relocation of U.S. military facilities on the island, and their opposition to the bases heightened after the abduction and rape last September of a Japanese schoolgirl, of which three U.S. servicemen were found guilty March 7.

Japan: DFAA: No Plans To Ban Landowners From U.S. Sobe Facility

OW2403032296 Naha RYUKYU SHIMPO
in Japanese 24 Mar 96 Morning Edition p 2

[FBIS Translated Text] Tokyo — On 22 March, Michio Minakuchi, Defense Facilities Administration Agency (DFAA) deputy director general, attended a news conference. Since the lease on a portion of land used by the U.S. military's Sobe Communications Facility will expire at the end of March, the government may possibly apply for a provisional disposition, making the site off limits to landowners. Touching on this possibility, Minakuchi said that the government is not engaged in studying such a plan, and added: "From a general or theoretical standpoint, I do not think the state will take such a measure."

Moreover, concerning the issue of relocating the live artillery exercises across Prefectural Highway 104 to mainland Japan, Minakuchi said: "We have requested funds for running five exercise sites in the next fiscal year budget. Since local situations will have to be taken into consideration, we will not necessarily stick to this plan." Thus, he indicated that the government is speeding up its efforts to select a relocation site from nine possible sites with ranges exceeding five kilometers.

Japan: DFAA Decides To Ban Landowners From U.S. Facility at Sobe

OW2403043796 Naha NHK General Television
Network in Japanese 0310 GMT 24 Mar 96

[Announcer-read report; from the "NHK Local News" program]

[FBIS Translated Text] The lease for a portion of the land used by the U.S. military's Sobe Communications Facility will expire at the end of this month. Regarding this issue, the Naha Defense Facilities Administration Bureau (DFAB) has decided that even if the terms of the lease expire, landowners will not be allowed to enter the facility.

Due to a delay in the procedures required for forced land use, the lease for a portion of the land used by the U.S. military's Sobe Communications Facility will expire at the end of this month. As a result, the state will lose its legal basis for using the land.

In response to NHK's efforts to collect information on this issue, a Naha DFAB source stated that even if the terms of the lease expire, landowners will not be allowed to enter the facility; and that since it is an important facility for the U.S. Forces, the general public will not

be allowed to enter it. In this way, he disclosed the plan for marking the site off limits to landowners.

Moreover, the same source stated that the decision was made at a meeting with the participation of officials from the Prime Minister's Official Residence and the Foreign Ministry, and added that the Cabinet Legislative Bureau is now engaged in studying the legal basis for keeping landowners from their own land lots.

On 25 March, the Naha Branch of the Fukuoka Higher Court is expected to issue its verdict on the suit filed by the state requesting Governor Ota to sign land leases by proxy. Even if the court orders Ota to sign the leases by proxy, there is little possibility that he will comply with the request. Therefore, it is almost certain that the lease terms for a portion of the land used by the Sobe Communications Facility will expire.

Japan: Poll Notes U.S. Security Tie 'Should Be Dissolved'

*OW2503032596 Naha RYUKYU SHIMPO
in Japanese 24 Mar 96 Morning Edition p 1*

[FBIS Translated Text] Prior to U.S. President Bill Clinton's scheduled 16 April visit to Japan the Japan Public Opinion Poll Association, to which RYUKYU SHIMPO belongs, conducted a nationwide survey on Japan-U.S. relations 9-10 March. As a result, regarding the Japan-U.S. security arrangement, 69 percent of the respondents said that it is useful in maintaining peace and stability in Japan. However, 51 percent noted that the arrangement "should be dissolved step by step," exceeding the number of respondents who called for "maintaining the arrangement," (which accounts for 38 percent).

Moreover, regarding the presence of 47,000 military personnel if the U.S. Forces Japan (USFJ), 70 percent responded that "it should be reduced," and 46 percent called for the overall return of the U.S. Bases on Okinawa.

As for the joint declaration to be announced by both Japanese and U.S. Governments during President Clinton's visit, the approval rate (standing at 32 percent) exceeded the opposition rate (at 17 percent). However, the largest number of respondents (accounting for 47 percent) answered that "it is hard to say." Thus, it has become apparent that there exists a gap between the general public's consciousness and the government's policy on that issue.

In the poll, 49 percent noted that the United States is "trustworthy". Given that different methods may be used in different surveys, we cannot merely compare the results. However, the percentage has drastically dropped

from 66 percent — the result of a KYODO News Agency telephone poll conducted in November, 1991.

The urgent issue of the presence of U.S. military bases on Okinawa is still pending between Japan and the United States. A particularly heavy burden is imposed on the people of Okinawa, where 75 percent of military bases and facilities are concentrated. With regard to this issue, a total of 85 percent of the respondents answered that they "are aware" or "aware to some degree" of these facts.

Concerning the government's enforced use of land for the U.S. military bases on Okinawa, 55 percent responded that "it should not be forcibly used," drastically exceeding the response that "the enforced use is unavoidable," (which accounts for 14 percent).

When asked what measures should be taken to reduce the Okinawan people's burden, the largest number of respondents answered that "the overall return of bases should be demanded," (accounting for 46 percent); another group answered that "bases should be partially relocated to other parts of Japan," (accounting for 30 percent); and the third group answered that "relocation of bases is unnecessary but certain drills such as live-fire exercises should be conducted in other localities," (accounting for 14 percent).

However, those who called for partial relocation of bases and live-fire exercise fields are asked "what they would do if bases or exercise fields are transferred to their localities," only a small number of people answered that "they will accept" the relocation without any conditions.

Meanwhile, 66 percent indicated their approval of "conditional relocation of bases," and 45 percent of "conditional relocation of exercise fields." On the contrary, 29 percent expressed their opposition to "shift of bases," and 50 percent to "transfer of exercise fields." These results indicate that the government will have difficulties in relocating part of the bases and exercise fields to mainland Japan.

Responding to a question as to "what they think the Japan-U.S. relations will be in the beginning of the 21st century," a total of 64 percent of respondents, accounting for two-thirds, answered: "The relations will be closer," or "remain unchanged." In addition, a total of 31 percent said that "the ties will become weaker" or "deteriorated."

(Note: percentages rounded off one decimal places)

Japan: Usui on Need for Cooperation in Security Arrangement

OW2503082755 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 25 Mar 96 Morning Edition p2

[FBI's Translated Text] On 24 March, Defense Agency Director General Hideo Usui made an admonitory speech at the graduation ceremony of the National Defense Medical College. Regarding the Japan-U.S. security arrangement, Usui said in his speech that "the arrangement will continue to play an important role in maintaining peace and prosperity in the Asian-Pacific region in the post-Cold War era." Then, he added: "Efforts should be made to promote cooperation in various fields so as to ensure smooth management of the security arrangement as well as to put it into most effective operation."

Japan: Article on USFJ Facilities With 1997 Expiration Leases

OW2403131996 Tokyo ASAHI SHIMBUN
in Japanese 24 Mar 96 Morning Edition p 32

[FBI's Translated Text] The amount of land that will be subject to forced land use is about 37 hectares and there are some 2,900 owners, including "or a-tsubo land owners." Of them, nearly 2,000 landowners have refused to sign and affix their seal to the documents needed for submission to the Prefectural Land Expropriation Committee for a vote on whether to extend use of the land by force. Mayors of local cities, towns, or villages can sign the documents by proxy if landowners refuse. Of nine mayors who had been asked to sign the documents, however, mayors of 3 cities — Naha, Okinawa, and Yomitan — refused to do so. Because of this, Governor Masahide Ota was eventually asked to do the proxy signing for 35 landowners (who own 35,200 square meters of land in total). Shoichi Chibana of Yomitan is one of the 35 landowners.

Except for Mr. Chibana's land, the lease documents for land that will be subject to forced use will expire all at once in May 1997. Although the terms of these leases are five or 10 years, their renewal times coincide. Since there are about 2,900 landowners, it seems that the committee needs a long time before it can make decisions on the continuous use of land and lease periods. The land of 35 landowners, whose leases will expire in May, are located at 7 U.S. military bases on Okinawa.

Land Which Will Be Subject to "Proxy Signing"

City	Facilities	Owners	Approximate Size (square meters)
Yomitan	Sensha Communications Facility	2	1,400
	Soko Communications Facility	1	200
	Kadena Ammo Dump Region	10	4,200
	Torii Communications Facility	2	1,000
	Sub Total:	15	6,800
Okinawa	Kadena Ammo Dump Area	2	1,500
	Camp Shields	1	1,500
	Kadena Air Base	7	9,800
	Sub Total:	10	12,800
Naha	Naha Harbor Facility	10	15,800
	Total:	35	35,200

Japan: Official Asks Study of Toxins at Returned U.S. Facility

OW2403025696 Naha RYUKYU SHIMPO
in Japanese 23 Mar 96 Morning Edition p 2

[FBI's Translated Text] On 22 March, Tatsuo Matayoshi, director of the Okinawa Governor's Executive Office, visited the Naha Defense Facilities Administration Bureau (DFAB) in connection with the detection of toxic substances at the former U.S. military communications facility at Oana Point. He requested that the DFAB conduct an investigation into the toxic substances possessed by U.S. military forces in Okinawa and fully implement environmental measures.

Matayoshi expressed regret, saying: "It was shocking to learn that toxic substances were found at sites of former military facilities amidst ongoing debates on the return of land that has been used as military bases for 50 years since the end of World War II. This is raising apprehensions among the Okinawan people." "The [former] Oana Point communications facility is the first case toward which the bill on special measures to promote the diversion of military land will be applied. It would be defeating the purpose if the land cannot

be used because of pollution. We request that the land be restored to its original state so that the Okinawan people's anxieties will be erased," he added.

Shigemichi Sasaki, director general of the Naha DFAB Facilities Department, who met with Matayoshi, said: "Toxic substances were detected when mud and sewage were checked. Based on relevant laws and regulations, we intend to make arrangements with the Onna Village officials to take appropriate measures."

On the same day, Zenshun Arakaki, chairman of the local chapter of the Social Democratic Party (SDP), and Shinsuke Toriyose, deputy chairman of the local chapter of the SDP, also visited the Naha DFAB and requested that toxic substances be disposed of and a thorough investigation be made.

Japan: Editorial Views U.S. Base Toxic Pollution

OW2403223096 Naha RYUKYU SHIMPO
in Japanese 22 Mar 96 Morning Edition p 5

[Editorial: "Serious Consequences of Toxic Substance Pollution — Must Conduct Inspection on All U.S. Bases on Okinawa"]

[FBIS Translated Text] Cadmium and mercury levels more than three times the safety standards and other toxic substances such as PCB's [polychlorobiphenyl] and arsenic — although within the prescribed safety standards — were detected in sludge in a sewage disposal reservoir in what used to be the U.S. military's Onna Communications Facility, which was returned last year. After the Okinawa Government presented its own action program to facilitate the return of the bases and the idea of building international cities on the island, the local municipalities hosting the U.S. bases have been actively discussing effective ways to use the returned land. As if to prevent this trend, toxic substance pollution found at the Onna facility brought a new base-related problem to Okinawa.

The same problem has been found at a closed U.S. base in San Francisco, as difficulties have been noted in disposing of pathogenic bacterium and other kinds of germs at facilities that used to be military hospitals or biochemical research institutes. Although San Francisco's residents and the military are cooperating to get rid of the bacterium, it is said that 20 years are needed for complete disposal. This was reported by the Okinawan Women's Peace Caravan, which visited the United States in February to demand solutions for the U.S. base-related problems on Okinawa.

The rise of environmental problems after the return of the U.S. bases has been anticipated. But the situation is worse than we actually imagined because the levels

of cadmium and mercury — the cause of pollution diseases named "ache-ache disease" and "Minamata disease" — found at the Onna facility greatly exceeded prescribed safety standards. There is a fear that toxic substances have accumulated and contaminated the environment in the U.S. bases, where large amounts of detergent and chemical substances are used to clean and maintain aircraft, vehicles, and weapons. The central and Okinawan governments must conduct inspections on all U.S. bases before their return.

The Case of the Makiminato Supply Depot

At the request of nearby farmers who wanted to "use the sludge as fertilizer," sludge inspection was undertaken at the sewage disposal reservoir located in the Onna facility. The Naha Regional Defense Facilities Administration Bureau [DFAB] inspected the sludge for safety and detected 11 toxic substances, including cadmium, mercury, PCP, and arsenic.

Although within safety standards, the toxic substances were also detected in soil in a sewage tunnel that runs from the disposal reservoir to residential areas. If the sludge had been used as fertilizer, fields and crops would have been contaminated. The farmers may be relieved that they were able to discover this information in advance.

If the disposal reservoir had been dismantled without an inspection, there is a danger that toxic substances would have spread and accumulated in our living environment. The DFAB says this incident is "impermissible." The problem with the U.S. military is that something impermissible often takes place at its bases.

What comes to mind regarding toxic pollution from U.S. bases is the Makiminato supply depot. Over a long period, liquid wastes from the cleaning and maintenance of tanks, trucks, and weapons at the depot ran into the sea. As a result, accumulated wastes polluted the shore.

The Makiminato depot was known as a logistic supply base during the Vietnam War. It supplied and maintained all kinds of necessities for U.S. troops on the front line — for example, tanks, missiles, cannons, other type of military equipment, and food. A serious problem arose when we began to realize that waste oil and automobile detergent deposited into the ocean had polluted the shore over a long period. A high level of hexachromium, lead, and cadmium was found in the residue of chemical detergents used to wash military vehicles.

Greatly concerned by the situation, the prefectural government, the U.S. military, and the DFAB began discussions on how to implement pollution prevention measures. A large amount of money was spent to

remove the polluted soil along the shore. In the case of Makimino, pollution was detected because the local people had free access to the shore at the depot. Pollution could be spreading in places where we are not allowed to enter.

From the Standpoint of Environmental Protection

Another concern, besides the use of chemical substances at the bases, is the Kadoma Ammunition Storage Area, where chemical and nuclear weapons used to be stored. Pollution in this area, if there is any, could be beyond our imagination. There is also a rumor that sewage has been piling up in an underground limestone cave located at a certain U.S. base. Although we tend to think that we could make good use of land lots once they are returned, we may encounter more hidden problems.

According to the Japan-U.S. Status of Forces Agreement (SOFA), it is the Japanese Government that will be responsible for the returned land. Pollution must be removed if the land is contaminated by chemical substances. The U.S. forces may not be giving enough consideration to environmental issues because, after all, Okinawa is a foreign island for them.

Okinawa will no longer concern U.S. forces once they go home. But we have to live with the problems they leave. If they insist that they are "the guests of the Japanese Government based on the Japan-U.S. Security Treaty," they must at least pay some respect to our land. After the withdrawal, the rest does not concern the U.S. military. Such an attitude is not acceptable. The U.S. forces must pay more attention to the environment by giving more thought to how the bases will be used after their return.

Sooner or later, the land will be returned to us. It is necessary to conduct an immediate inspection of all bases to see how they are used now and how they can be used after their return. Worried about the United States' reaction, the Japanese Government is reluctant to answer our call for base inspections.

The government always says that it does not have the power to persuade the United States since the SOFA stipulates U.S. responsibility for the maintenance of the bases. Considering that the Japanese people are paying most of the expenses for the U.S. forces stationed in this country, we believe that Okinawa's call must be rightfully conveyed to the United States. Also, the Japanese Government, the lender of the bases, has an obligation to seek a clearer picture of how they are used. From a standpoint of environmental protection, inspections must be conducted soon on all U.S. bases on the island.

Japan: Return of MCAS Futenma, Government Talks Viewed

OW2403102296 Naha OKINAWA TIMES in Japanese 23 Mar 96 Morning Edition p 5

[Editorial: "No Concessions in Regard to the Complete Return of MCAS Futenma"]

[FBIS Translated Text] Contrary to our expectations, the performance by heroes who came forth after all that advance publicity has only disappointed us. This must be a fitting description for the current situation.

We Okinawans are not making excessive demands. It is simply a matter of how the Japanese and U.S. Governments can help realize what the people of a tiny Pacific island who are forced to lead their daily lives squeezed into small areas in between vast military bases hope for — to live modestly and peacefully on that island.

Getting to the point, what was decided at the fifth meeting of a working group under the Japanese and U.S. Governments' Special Action Committee for Okinawa on 21 March in Washington D.C. was that it would be difficult to settle the issue of complete return of the U.S. Marine Corps Air Station (MCAS) Futenma which the Okinawan Government is demanding. It was also decided at the meeting that the final decision on the issue would be put off until the Japan-U.S. summit meeting on 17 April.

The Ministry of Foreign Affairs (MOFA), the Defense Agency (DA), and other government ministries and agencies concerned with the Japanese-U.S. security arrangement have reservations about the drastic reduction of "military bases on Okinawa which are contributing to the security of the Far East" or the complete return of MCAS Futenma, citing the tension in the Taiwan Strait as a reason. However, the U.S. military itself had already indicated from the beginning that it has no intention of deploying ground forces (USMC troops) stationed on Okinawa since it did not want to experience another Vietnam.

The first presidential election in Taiwan by direct vote will be held today (23 March). On the other side of the Taiwan Strait, the Chinese People's Liberation Army has staged extensive military demonstrations to apply pressure on that election. As a counter maneuver, the United States swiftly deployed to the vicinity of Taiwan a carrier bomber group (CBG) consisting of the U.S. 7th Fleet's aircraft carrier Independence, a cruiser, two destroyers, a frigate, and an attack nuclear submarine and another CBG centering around the nuclear aircraft carrier Nimitz, which was cruising in the Gulf of Oman in the Middle East. However, both the PRC and the

United States are urging each other to remain calm, maintaining that military confrontation is improbable.

Nevertheless, if the security of the Western Pacific region has been sustained for 50 years because the Japanese-U.S. security arrangement has been maintained, as the Japanese and U.S. Governments claim, then it must be said that postwar economic development has been founded on top of Okinawa's sacrifices for the past 50 years. The Okinawan people now demand compensation for that. Is it asking too much to seek for quiet, aircraft-noise-free days for the next 50 years?

From the viewpoint of local Okinawans, it seems that the government — MOFA and the DA, in particular — is forcing Okinawa to tolerate sacrifices based on that peculiar Japanese virtue of modesty by which it advocates putting priority on the security of the people of other countries over their own people.

Okinawa Governor Masahide Ota and Prime Minister Ryutaro Hashimoto held their second meeting last night (22 March) in Tokyo. Before he departed Naha Airport on the previous day, Ota stated that he wanted the Japanese Government to make sure that the complete return of MCAS Futenma would be realized by all means in order to protect the lives and property of local residents.

If we stop to think, U.S. forces are stationed in Japan — at least under the pretext — to protect the lives and property of local residents from aggressors. What would happen if U.S. forces, which are the very guardians of the local residents, were looked upon as enemies by the very same local residents? Both the Japanese and U.S. Governments, with their experiences in Asia and the Pacific region since the end of World War II, are the ones that best understand the consequences.

Tokyo Praises Signing of Nuclear Treaty for South Pacific

*OW2503025396 Tokyo KYODO in English
0022 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japan welcomed Monday [25 March] the signing by Britain, France and the United States of a treaty declaring the South Pacific a nuclear-arms free zone as a favorable development toward nuclear nonproliferation in the region.

"We welcome this as a major step toward substantially strengthening nuclear nonproliferation in the South Pacific region," Foreign Ministry spokesman Hiroshi Hashimoto said in a statement.

Earlier in the day in the Fiji capital of Suva, the three nuclear powers signed the Rarotonga Treaty, which bans nuclear weapons and tests in the region.

The pact was adopted at a summit meeting in 1985 of the 16-member South Pacific forum at Rarotonga in New Zealand's Cook Islands.

Russia and China, the other two declared nuclear powers, had already signed the treaty.

Japan: Ministry 'Concerned' Over Ideas of Resurrecting Soviet Union

*OW2503101996 Tokyo KYODO in English
0938 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japan is worried about ideas of recreating the Soviet Union because of the danger the restoration poses to the independence of former Soviet republics, a senior Foreign Ministry official said Monday [25 March].

"We support CIS (Commonwealth of Independent States) member countries' sovereignty and independence. We are strongly concerned about the resolution that contravenes this line," Vice Foreign Minister Sadayuki Hayashi told a news conference.

Hayashi was referring to a resolution adopted earlier this month at Russia's state Duma, or the lower house of parliament.

The resolution, which supports resurrecting the Soviet Union, has been severely criticized by many of Russia's neighbors.

Last week, Russia's Federation Council, or the upper house, asked the state Duma to reconsider the declaration on the Soviet Union, which collapsed in December 1991.

Russia and most of the former Soviet republics formed the CIS as a loose consultative body after the breakup of the Soviet Union.

Japan: Smuggling Causes 'Wide Gap' in Crab Trade With Russia

*OW2503021396 Tokyo KYODO in English
0029 GMT 25 Mar 96*

[FBIS Transcribed Text] Sapporo, March 25 KYODO — Smuggling causes a wide gap in crab trade data between Japan and Russia, with Japan's actual imports more than five times greater than indicated in statistics prepared by Russia, according to a Japanese researcher.

The researcher, Nobuo Arai of Hokkaido Institute for Regional Studies in Sapporo, capital of Japan's northernmost main island of Hokkaido, said the comparison

was made possible last year when the Russian Government released export data for 1994 for the first time.

According to the Russian statistics, Russian exports of various species of crab to Japan in 1995 totaled 7,285 tons, worth \$90.48 million.

But the Japanese data put it at 38,688 tons, worth \$510.97 million.

Arai said the Japanese data apparently include a considerable volume of crab poached in Russian waters and those brought to Japan without passing through the Russian Customs Office.

Japan: Hashimoto 'Will Not' Attend Li Teng-hui's Inauguration

OW2403045396 Tokyo KYODO in English
0413 GMT 24 Mar 96

[FBIS Transcribed Text] Tokyo, March 24 KYODO — Koichi Kato, secretary general of the coalition pillar Liberal Democratic Party (LDP), said Sunday (24 March) that Prime Minister Ryutaro Hashimoto will not attend the May 20 inauguration ceremony of reelected Taiwanese President Li Teng-hui.

On the morning following Li's victory in Taiwan's first direct presidential election, Kato said in a TV program, "The Japanese Government does not maintain diplomatic relations with Taiwan. Therefore, the party will dispatch a delegate for the inauguration ceremony."

Japan broke off diplomatic relations with Taiwan in September 1972 when Japan normalized relations with China.

As for Taiwan's membership in the U.N., Kato said it would be "very difficult" for Japan to support Taipei's bid for membership.

China took over Taiwan's U.N. seat in 1971 as the representative government of China.

Japan: Ikeda Advocates PRC-Taiwan Direct Talks
OW2403125796 Tokyo MAINICHI SHIMBUN
in Japanese 24 Mar 96 Morning Edition p 3

[FBIS Translated Text] The government has not announced its official views regarding an outcome of Taiwan's presidential election, however, on the evening of 23 March Foreign Minister Yukihiko Ikeda said: "It is of deep significance that the leader was elected by the people. I hope that the election results will become a turning point for solving the Taiwan issue peacefully. To achieve peace and stability around the Taiwan Strait, I think it is important for the parties concerned to have direct discussions."

The government is refraining itself from announcing its official views because it confirmed in the 1972 Japan-China joint declaration that there is "one China," and refused to keep diplomatic relations with Taiwan. It is also aimed at avoiding misinterpretation that an announcement of official views is "interference in domestic affairs." Moreover, it is a common diplomatic practice for governments to send a message to winners of elections in other countries on the selection of a chief of state. However, the government is not planning to send a message to Li Teng-hui because — in addition to the fact that "Taiwan is not an independent nation," (according to a senior Foreign Ministry official) — Japan does not have diplomatic ties with Taiwan.

Japan: Foreign Minister Urges PRC-Taiwan Dialogue

OW2303154096 Tokyo KYODO in English
1500 GMT 23 Mar 96

[FBIS Transcribed Text] Tokyo, March 23 KYODO — Japan hopes China and Taiwan will reopen dialogue so as to defuse tensions in the Taiwan Strait, Foreign Minister Yukihiko Ikeda said Saturday (23 March).

"To achieve real peace and stability around the Taiwan Strait, it is of paramount importance for the parties concerned to talk with each other," Ikeda said, referring to Taiwan President Li Teng-hui's victory in the island's first direct presidential election.

Li was reelected with the blessing of 54 percent of voters in Taiwan, despite China's recent series of missile and other military exercises as a warning against Li's alleged proclivity toward outright independence.

China regards Taiwan as a rebel province and has fiercely tried to contain any Taiwanese move aimed at seeking independence.

While describing as "meaningful" Li's reelection, Ikeda said, "We hope this will provide an opportunity for both parties across the strait to break the current impasse and seek to peacefully resolve the issue concerning Taiwan."

Tokyo is expected to call on Beijing anew to move toward relaxation of tensions over Taiwan when Chinese Foreign Minister Qian Qichen visits Japan on March 31.

On the postelection relationship between China and Taiwan, government sources said Li has consolidated his power base through the overwhelming victory and may lean toward a softer line in his policy vis-a-vis China.

At the same time, however, other sources said the Taiwan president, with a renewed mandate from his

voters, may have to seek the international community's recognition of Taiwan in a more blatant manner.

Japan: Business Circles Welcome Taiwan Election Results

*OW2503002796 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 24 Mar 96 Morning Edition p 4*

[FBIS Translated Text] Japan's business and industrial circles invariably welcome the outcome of the latest presidential election in Taiwan. Many businessmen and industrialists believe that President Li Teng-hui will be able to exercise leadership with regards to Taiwan's policy toward the PRC now that his administration's foundation has been strengthened. They welcome the election results since "it will lead to the stabilization of PRC-Taiwan relations."

Shoichiro Toyoda, Federation of Economic Organizations of Japan chairman, said he "hopes" that President Li "will make efforts to restore relations with the PRC." The Toyota Motor Corporation, of which Toyoda also serves as chairman, currently produces 65,000 passenger cars and recreational vehicles in Taiwan annually. The company has indicated strong interest in advancing into the PRC.

Yotaro Kobayashi (Fuji Xerox Co., Ltd. chairman), Japan Association of Corporate Executives secretary general, believes that "after the election, Taiwan is likely to follow a policy line oriented toward promoting harmony with the PRC."

Japan: Article Views Government's Stance Toward PRC, Taiwan

*OW2403210996 Tokyo NIHON KEIZAI SHIMBUN
in Japanese 24 Mar 96 Morning Edition p 4*

[FBIS Translated Text] It seems that the government will have to make minor changes to its relations with China and Taiwan since it is likely that the international community, including the United States, will deal positively with Taiwan, which has now completed its democratization process. Government and ruling party officials are saying that "it is of great significance that a leader was directly elected by the people for the first time" (according to Foreign Minister Yukihiko Ikeda). At the same time, they are taking the stand that "we should maintain the principles of the Japan-China joint statement, which calls for a policy of one China" (according to Taro Nakayama, chairman of the Liberal Democratic Party [LDP] Diplomatic Research Council). Also, there is a deep-rooted and prudent opinion that the government should deal with Taiwan within the framework of the aforementioned stand.

A senior official of the Ministry of Foreign Affairs (MOFA) said that "we are uncertain as to how we should comment on the outcome of the election...." This grumbling remark succinctly embodies Japan's stand. As far as close economic relations and personnel exchanges with Taiwan are concerned, the government might wish to send a congratulatory telegram to the president on his victory in the first presidential election; nevertheless, it, taking into consideration diplomatic relations with China, "just cannot do so" (according to a senior MOFA official).

Some LDP members are calling for, among other things, a freeze of yen-based loans to China to protest China's repeated nuclear tests and the recent military exercises. However, most government officials are adverse to freezing the loans, saying that "the yen-based loans are one of the bases of our policies toward China" (according to Deputy Foreign Minister Sadayuki Hayashi). They are of this negative opinion because, among other things, some people believe that the possibility exists that the United States and China could be having behind-the-scenes talks, while outwardly appearing to be in opposition to each other (according to an LDP official).

At his meeting with Qian Qichen, the Chinese deputy premier and foreign minister who will visit Japan on 31 March, Foreign Minister Ikeda, once again, plans to call on China to maintain self-restraint on the Taiwan issue. Judging from what has happened in the past, it is unlikely that Foreign Minister Qian will soften his stance. Contrastingly, it is expected that China may ask Japan to reconfirm the "one China" policy.

Japan: Article Views Effects of PRC-Taiwan Tension

*OW2503112396 Tokyo ASAHI SHIMBUN
in Japanese 24 Mar 96 Morning Edition p 2*

[Unattributed article: "Government Hopes For PRC-Taiwan Dialogue; Problem Seen in Setting 'Distance' From PRC; Impact on Issue of U.S. Military Bases on Okinawa"]

[FBIS Translated Text] The Japanese Government hopes that with President Li Teng-hui emerging victorious in the first presidential election in Taiwan by direct vote, the PRC and Taiwan will now shift to a "policy of conducting dialog." It also plans to urge Qian Qichen, Chinese vice premier and concurrently foreign minister, who will visit Japan late this month, that the PRC exercise self-restraint (in regard to applying pressure on Taiwan). However, the latest tension in PRC-Taiwan relations has once again made Japan painfully aware of the difficulty involved in determining how far Japan

should distance itself from the PRC, which is for Japan a "superpower next door." The current situation has also clearly shown that a "crisis" brought about by the PRC will directly affect Japanese-U.S. relations, including Okinawan military base issues. Consequently, some critics are beginning to question the Japanese Government's following of its conventional line of "supporting China's policy of reform and opening up."

Hardline Stance

"President Li will likely pursue a policy of conducting dialog with the PRC. The PRC has no one else to talk to but Li." So comments a senior Foreign Ministry official who hopes PRC-Taiwan relations will improve after Li's election as president. Following military exercises by the PRC, more and more members of the ruling coalition parties are beginning to take a hardline stance, arguing, among other things, that the government should temporarily put off extending the fourth round of yen loans (approximately 580 billion yen for three years from FY96) to the PRC. If the PRC-Taiwan tension were to continue, the Foreign Ministry would be forced to make difficult decisions over again.

Extending yen loans to the PRC to support its policy of reform and opening up — that is Japan's basic policy toward the PRC. When the PRC conducted underground nuclear tests for the second time last August, the former Social Democratic Party of Japan and other parties called for reducing yen loans to the PRC, but the government merely froze the extension of gratuitous aid and left yen loans untouched.

A senior Foreign Ministry official says: "Yen loans symbolize Japanese-Chinese friendship. Retaliatory measures against investors and Japanese firms that have advanced into Chinese markets can be expected if strong messages, such as freezing or reducing yen loans, were to be sent to the PRC." In response to the recent large-scale military exercises conducted by the PRC, the Foreign Ministry restrained itself, simply urging the PRC to exercise "self-restraint."

A Turning Point

At a 13 March news conference, Chief Cabinet Secretary Seiroku Kajiyama harshly criticized the Chinese military exercises, saying: "The exercises constitute a threat to democratic election processes and politics." Some Foreign Ministry officials feel that "the PRC is going too far, even though they may be conducting exercises in open seas."

Meanwhile, the PRC has clearly stated that it plans to continue nuclear tests. If it were to conduct nuclear tests forcefully after Qian's Japan visit, anti-PRC sentiments

would surely be reignited in Japan. That would lead the public to once again become aware of the view that the PRC, which intends to build up its military strength in the backdrop of its economic development, "remains an unstable factor in the Eastern Asian region" (according to a government source).

Some government officials are even beginning to suggest that although Japan cannot take firm action against the PRC like the United States can, "it may be time to look from a long-range viewpoint and review aid programs to the PRC" (according to a senior Foreign Ministry official).

Trapped in the Middle

For the Japanese Government, the current situation is more seriously affecting the issue of reducing military bases on Okinawa, which is being worked out in view of U.S. President Bill Clinton's visit to Japan in April, than it is affecting Japan's policy toward the PRC.

The prime mission of U.S. Forces Japan [USFJ] is to ensure "peace and security in the Far East." The Taiwan Strait is certainly a part of the "Far East," and the major portion of the USFJ is stationed on Okinawa, which is close to the Taiwan Strait. The tension between the PRC and Taiwan tends to reinforce the "importance" of military bases on Okinawa.

When the PRC began conducting military exercises early this month, a senior Defense Agency official conducting negotiations with U.S. officials expressed his bewilderment, saying: "The effect of PRC-Taiwan relations on military base problems is not small." With a "crisis in the Far East" becoming more of a reality, antimilitary-base sentiments could be further stirred up in Okinawa and other parts of Japan. On the other hand, the government finds itself trapped in the middle as "it is difficult to ask the United States to return military bases right now" (according to a senior official of the Liberal Democratic Party).

On 22 March, Prime Minister Ryutaro Hashimoto told Okinawa Governor Masahide Ota that it would be "difficult in reality" to have U.S. Marine Corps Air Station Futenma returned. Hashimoto indicated that the mounting tension between the PRC and Taiwan was one of the factors preventing this.

Tokyo, Islamabad Sign Accords Worth Over 49 Billion Yen

BK2203154096 Islamabad PTV Television Network in English 1300 GMT 22 Mar 96

[FBIS Transcribed Text] Pakistan and Japan have signed five agreements totalling 49.804 billion yen. Four of the

five projects relate to the development of infrastructure in power and railway sectors. Another agreement concerns overhauling and modernization of survey vessel, Bahr Palma. Pakistan ambassador to Japan and the vice president of the Overseas Economic Cooperation Fund [OECF] of Japan initiated the agreements at the OECF headquarters in Tokyo today.

Japan: SRV Official Tells Ikeda of Push for Economic Reform

OW2503091796 Tokyo KYODO in English
0804 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Vietnam's Deputy Prime Minister Tran Duc Luong told Japanese Foreign Minister Yukihiko Ikeda on Monday [25 March] that his country will press ahead with market reforms of its socialist economy.

Luong referred to Hanoi's Doi Moi (Renovation) policy it introduced in 1986, a Foreign Ministry official said.

At the meeting with Luong, Ikeda sought Vietnam's support for Japan's bid for nonpermanent membership on the U.N. Security Council for the 1997-1998 term, the official said.

Luong, here on an unofficial visit, replied that Hanoi believes the United Nations should be revamped to become more democratic, the official said.

Luong invited Ikeda to Hanoi to meet Vietnamese Foreign Minister Nguyen Manh Cam.

Tokyo Offers 13.55 Billion Yen Loan to Morocco

OW2203130396 Tokyo KYODO in English
1123 GMT 22 Mar 96

[FBIS Transcribed Text] Tokyo, March 22 KYODO — Japan will provide a low-interest loan of up to 13.55 billion yen to Morocco to finance an irrigation project in the country, the Foreign Ministry said Friday [22 March].

Documents on the yen-denominated official credit were exchanged between officials of the two nations in Morocco's capital of Rabat the same day, ministry officials said.

The untied 30-year loan will be provided with a grace period of 10 years and an interest rate of 2.7 percent per annum, the officials said.

Japan: Deregulation Plans 'Fall Short' of Panel's Recommendations

OW2303070896 Tokyo KYODO in English
0620 GMT 23 Mar 96

[FBIS Transcribed Text] Tokyo, March 23 KYODO — The government's planned deregulation falls short of recommendations made late last year by an advisory panel to the prime minister and will likely attract criticism from foreign countries, government sources said Saturday [23 March].

The government decided to review its deregulation plans in March last year as part of overall administrative reforms pushed by Prime Minister Ryutaro Hashimoto.

Under the planned deregulation, Japan will amend the building standards law to boost imports of houses and will change regulations to allow securities companies and corporations to trade foreign currencies — both pillars of the government's deregulation package, they said.

The revised deregulation will include clarification of conditions for building three-story wooden apartment houses by the end of 1996 and introduction of a notification system for rates on mobile phones within fiscal 1996.

But the government postponed a decision on the breakup of Nippon Telegraph and Telephone Corp. and still faces difficulties on easing or lifting restrictions on stocks held by major companies. It also refrained from allowing management of hospitals by private companies as recommended, they said.

The government also shelved recommendations to liberalize manpower firms due to strong opposition by labor unions.

With regard to the controversial lifting of a ban on holding companies, the ruling coalition is considering making a final decision by next Friday, when it will formally decide on its revised deregulation package at a cabinet meeting.

The government's deregulation plans have been criticized by the U.S. and Europe, including U.S. Trade Representative Mickey Kantor, as insufficient.

Japan: Ruling Coalition Agrees on Telecom Market Deregulation

OW2503144796 Tokyo KYODO in English
1420 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — A ruling coalition task force debating the controversial splitting up of Nippon Telegraph and Telephone Corp.

(NTT) agreed Monday (25 March) on 10 deregulatory steps for the telecommunications field, including one that would enable early entry by international carrier KDD into the domestic market, coalition sources said Monday.

The agreed measures will be incorporated into the government deregulation plan which is currently under review and is scheduled to be decided at a cabinet meeting Friday, the sources said.

The ruling coalition has already agreed to postpone a decision on the breakup of NTT, but at the Monday meeting failed to form a consensus as to when it should be made.

The Liberal Democratic Party, the largest member of the ruling camp, proposed delaying the decision until the next regular parliamentary session in January.

The Social Democratic Party, the second largest force in the coalition, urged that another three years be spent on the matter, while New Party Sakigake is seeking a decision as early as possible.

The three parties will discuss the matter again on and after Tuesday, the sources said.

Besides the measure to help KDD engage in domestic telecom services, the deregulatory steps agreed to Monday include a change in the procedures for setting mobile phone charges from seeking official approval as is currently required, to simply reporting new charges to the government, the sources said.

Among the other measures are the establishment of a rule obliging NTT to open its local telephone lines to other telecom carriers for fair competition and consideration of an easing of regulations governing foreign capital in the telecom market, the sources said.

Japan: JETRO Says Manufactured Imports Surged in 1995

OW2305122896 Tokyo KYODO in English
1103 GMT 25 Mar 96

[FBI Transcribed Text] Tokyo, March 25 KYODO — Japan's imports of manufactured products in 1995 increased 30.9 percent over the previous year to 198.6 billion dollars, accounting for a record 59.1 percent of the nation's total imports, the Japan External Trade Organization (JETRO) said Monday (25 March).

The ratio of manufactured goods imports to the total is up 3.9 percentage points from the previous year, JETRO said.

The semigovernmental organization attributed the steep gain to the yen's appreciation and Japanese manufacturers' increased production shift to overseas plants.

Combined imports of personal computers (PCs), electronic parts such as integrated circuits (ICs), and automobiles and other machinery jumped 42.6 percent, JETRO said.

With PC imports from Taiwan and Singapore increasing noticeably, the import share of those from the United States dropped to 30.5 percent from 44.6 percent.

Memory IC imports mainly from South Korea, Singapore and other newly industrializing economies (NIEs) in Asia accounted for 74.4 percent of total IC imports, while microprocessing units from the U.S. captured a share of 77.6 percent, JETRO said.

Auto imports increased 31.2 percent and held a market share of 10.2 percent, up from 8.1 percent.

Overall imports from China climbed 41.4 percent, and those from the U.S. grew 24.1 percent. Imports from the European Union and Asian NIEs scored respective gains of 27.5 and 37.8 percent.

Japan: Central Bank Reports 'Moderate' Recovery of Economy

OW2203135696 Tokyo KYODO in English
1521 GMT 22 Mar 96

[FBI Transcribed Text] Tokyo, March 22 KYODO — The Japanese economy is staging a moderate recovery amid a continued increase in public and housing investment, the Bank of Japan (BOJ) said Friday (22 March).

In its monthly economic review, the central bank said public and housing investments have been growing smoothly.

Corporate capital spending and personal consumption are also picking up moderately, leading to an uptrend in industrial production, the BOJ said.

In contrast with the bright signs in domestic demand, however, overseas demand is dragging down the growth of Japan's overall demand as an increase in Japanese imports has been far surpassing export growth, it said.

The employment situation remains sluggish with the number of employees posting slower growth, the central bank said.

A BOJ official said, "the groundwork for economic recovery is being consolidated, though there remains pressure from corporate structural adjustment efforts."

Japan's economy, however, could be adversely affected by economic situations abroad and moves among Japanese companies to accelerate disposal of bad assets.

Japan: Think Tank Predicts 2.5 Percent GDP Growth in 2001-2010

*OW2503103996 Tokyo KYODO in English
0925 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Japan's economy will grow at an annual rate averaging 2.5 percent for the first decade of the 21st century, a private think tank forecast Monday [25 March].

The Research Institute on the National Economy said gross domestic product will grow an average 3.5 percent annually until 2000 in view of brisk capital investment.

The growth rate will slide to 2.5 percent from 2001, it said.

The institute said the figures were based on a projection of structural changes in domestic industry.

It said the growth will drop after 2000 due largely to a decrease in the nation's workforce resulting from the graying of society and a slump in investment in public works.

The shrinkage in growth rate will be small, and per-capita income will continue to rise, it said.

The institute predicted that the information industry will lead the nation's industrial structure, boosting its share of the domestic economy and productivity in the next century.

Japan: Business Group Predicts GDP To Expand 2.3 Percent

*OW2503125096 Tokyo KYODO in English
1155 GMT 25 Mar 96*

[FBIS Transcribed Text] Osaka, March 25 KYODO — Japan's gross domestic product (GDP) will grow 2.3 percent in real terms in fiscal 1996 starting April 1, the head of a business group in western Japan said Monday [25 March].

The growth rate would top that of the estimated 1.5 percent for fiscal 1995, which ends March 31, said Takayuki Usui, chairman of the Kansai Association of Corporate Executives (Kansai Keizai Doyukai), during a press conference.

Usui predicted that personal consumption, especially for durable consumer goods, will increase steadily during the year, as will the contracted amount of public works spending.

Plant and equipment investment by private corporations is expected to get on a recovery path and will contribute to the expansion, said Usui, who is also executive vice president of Sumitomo Bank.

Worries over Japan's financial system should not affect the economy much if the Diet stalemate over the fiscal 1996 budget — which includes a government-crafted plan to liquidate seven insolvent housing loan companies or "jusen" — is resolved before long, he added.

Japan: Trade Minister Backs Call for Lower Corporate Tax

*OW2503063096 Tokyo KYODO in English
0513 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Trade Minister Shumpei Tsukahara showed support Monday [25 March] to a request from the Federation of Economic Organizations (Keidanren) for lowering corporate tax rates, which it believes are high by international standards, a ministry official said.

"The issue should be discussed in the context of entire taxation, but I'm aware of the need to reduce the corporate tax burden and invigorate corporate circles, given concerns over small businesses and employment," the official quoted Tsukahara as saying.

The request came when Tsukahara and senior ministry officials met with some 30 Keidanren leaders, including Chairman Shoichiro Toyoda, over breakfast at a Tokyo hotel.

National and local corporate tax rates stand at a combined 49.98 percent in Japan, compared with some 40 percent in the United States.

The business group also called for abolishing a land holding tax that was introduced as part of the fiscal 1991 tax reform to discourage speculative land trading.

Amid intense requests from business circles, the government decided late last year to lower the land holding tax rate to 0.15 percent from 0.3 percent in the fiscal 1996 tax reform, which is subject to parliamentary approval.

Tsukahara hinted at rallying to repeal the tax, saying, "we should make sure the reform does not end halfway through."

Meanwhile, Keidanren repeated its request for the government to compile a bill as soon as possible for lifting a ban on holding companies and win parliamentary approval of the bill during the current session through June.

Tsukahara said, "it is important to lay groundwork for parliamentary debate on the issue." He called for business circles to help develop the environment for introducing holding companies.

The ruling coalition is split over the extent of the lifting of the ban. The Liberal Democratic Party wants to make the lifting as broad-based as possible, while the Social Democratic Party argues that holding companies should remain banned in principle.

Japan: BOJ Expected To Tighten Inspection on Derivatives Trading

OW2503091896 Tokyo KYODO in English
0802 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — The Bank of Japan (BOJ) will follow regulators in the United States and European countries in tightening inspections on derivatives trading by financial institutions, central bank officials said Monday [25 March].

The officials said the bank will take similar measures for foreign banks operating in Japan in the future.

Risk management experts will be assigned to the task of inspecting in-house risk management watchdog bodies already introduced at major commercial banks to oversee trading in the high-risk, high-return products such as foreign exchange and interest futures and option transactions, they said.

The officials said member countries of the Bank for International Settlements hope financial institutions in their respective nations will introduce a risk management system such as the value at risk calculation method.

They said the central bank is concerned that foreign banks operating in Japan may be involved in a scandal similar to that which resulted in a huge loss suffered by Daiwa Bank's New York branch in unauthorized bond trading that came to light last year.

The Osaka-based bank was ousted from the U.S. market earlier this year for trying to cover up the loss.

Japan: Cosmo Credit Liquidated; Kyodou Bank Takes Over Operations

OW2503012196 Tokyo KYODO in English
2349 GMT 24 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Bankrupt Cosmo Credit Corp. liquidated itself Monday [25 March], with its operations shifted to Tokyo Kyodou Bank.

Tokyo Kyodou Bank, an entity set up by the Bank of Japan and commercial banks in early 1995 to liquidate loans left by two other failed Tokyo credit unions, took over all debts and loans of Cosmo Credit, the largest credit union in Tokyo, which went under last July.

A scheme to wind up Cosmo Credit calls for supply of donations by Deposit Insurance Corp. and special loans by the Bank of Japan to cover 235 billion yen in losses stemming from the write-offs of irrecoverable loans held by the failed institution.

Upon the liquidation, all of Cosmo employees were dismissed but some of them have been hired again by Tokyo Kyodou Bank, which will take over the one remaining outlet of Cosmo as the entity's new branch.

Cosmo Credit was ordered to suspend operations last July 31 after depositors rushed to its 24 outlets to withdraw money in reaction to a newspaper report that it was in a crisis.

Deposits at Cosmo Credit at the time of its liquidation stood at about 110 billion yen, down from 380 billion yen just before the bankruptcy, banking sources said.

Japan: Government To Allow Trust Banks To Use Bad Loans Reserves

OW2503103896 Tokyo KYODO in English
0936 GMT 25 Mar 96

[FBIS Transcribed Text] Tokyo, March 25 KYODO — - The government will revise its ordinance on special reserves of the nation's seven trust banks to allow them to use a large portion of the existing reserves in order to write off huge amounts of bad loans, government sources said Monday [25 March].

Currently, the trust banks are required to set aside a maximum of 3 percent of their total loan trust assets as reserves which in principle are intended to prepare for possible falls of loan trust values below their par value.

Under the revision, the government will lower the ceiling to 0.5 percent and reduce the money that must be set aside to from trust operation earnings to 2.5-4.0 percent of earnings from the current 15-25 percent, the sources said.

The balance of reserves stood at 1,235 billion yen as of the end of last September and the measures will help reduce reserves to about 200 billion yen, thus enabling trust banks to draw from the reserves about 1 trillion yen, the sources said.

A government-proposed scheme to liquidate seven insolvent housing loan companies, known as "jusen," calls for the trust banks to give up their claims to the jusen.

Japan: Banks Considering Giving Up Loans to Housing Firm*OW2503114996 Tokyo KYODO in English
1118 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO —
- The association of Japan's 64 regional banks plans to give up their outstanding claims on Chigia-Seiho Housing Loan Co., one of seven insolvent "jusen" housing loan companies of which they are founders, banking sources said Monday [25 March].

The sources said a formal decision will be made later by respective members of the Regional Banks Association of Japan.

The association's decision calls for the member banks to give up claims for repayment of loans to Chigia-Seiho Housing Loan and write off losses free of tax in the current fiscal year ending March 31, the sources said.

The Finance Ministry has said all founder banks of the seven housing loan companies will be allowed to write off losses only in case they give up their claims.

According to the government's liquidation scheme, all 64 regional banks will give up an estimated 420 billion yen in claims on Chigia-Seiho Housing Loan, while major commercial banks will decide individually on whether to write off losses free of tax or taxation.

Fuji Bank, one of the major commercial banks, has opted for the taxable write-off of its loans to the mortgage firms by building up its loan loss reserves, bank sources said.

Japan: MOF Studies Securitization of Bad Loans by Brokers*OW2203151096 Tokyo KYODO in English
1214 GMT 22 Mar 96*

[FBIS Transcribed Text] Tokyo, March 22 KYODO —
The Ministry of Finance (MOF) will consider allowing securities houses to engage in securitization of real estate-backed loans to help promote disposal of huge problem loans at banks, ministry sources said Friday [22 March].

Major brokerage companies have asked the ministry to create a bad loan disposal market, like that in the United States, by authorizing them to securitize loans held by banks, the sources said.

If banks can trim problem assets by selling them in the form of securities, this would also help stabilize the stock market, reducing banks' needs to issue new shares to strengthen their capital base, they said.

When the bad loan crisis emerged at savings and loan associations in the United States in the early 1990s, the U.S. Government pushed efforts to liquefy problem loans through their securitization, in addition to introducing public funds for their disposal.

If securitization business is allowed for brokerage companies in Japan, it is expected to help increase the liquidity of the real estate market, industry sources said.

The ministry, meanwhile, plans to scrap its guidelines in April for capital increases by companies through public share offerings at market prices.

Many banks are now expected to fall into the red in the business year that ends March 31 as a result of the disposal of bad loans.

As a result, the ministry is concerned that possible new share issues by those banks to maintain capital adequacy ratios could worsen the supply-demand situation on the stock market.

Real estate industry sources said the creation of a bad loan disposal market may lead to a further fall in land prices in the short term.

Investors will seek to buy real estate-backed securities at a large discount to secure high investment returns, the sources said.

Given the example of the U.S., however, the market is expected to help revitalize the Japanese economy over the long term, drawing new investment money to the real estate sector, they said.

Japan: Applications for Government Housing Loans Increasing*OW250315196 Tokyo KYODO in English
1120 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO —
Housing Loan Corp. said Monday [25 March] it accepted 170,984 applications from individuals for housing loans from Feb. 26 through March 8, compared with the 84,000 loans offered by the governmental lender for its fourth and last invitation of applications for fiscal 1995 that ends March 31.

The total number of applications exceeds the 109,709 submitted a year earlier, the corporation said.

Corporation officials attributed the strong demand for housing loans to a record low interest rate of 3.1 percent and expectations for a rise in the rate.

The total included 21,824 applications from condominium buyers, up 1.66 times from a year earlier, 128,385 from individuals planning to build homes, a

1.58-fold increase, and 20,397 from home buyers, up 1.35-fold.

The officials said that although the number of applications surpasses that of offers, the corporation will not carry out a lottery or other selection means as it still has room for accepting applications on an annual basis and a large number of applicants are expected to cancel their applications.

Japan: Hashimoto-Ozawa Talks Create 'Stir' Within Ruling Parties

OW2403070096 Tokyo YOMIURI SHIMBUN
in Japanese 22 Mar 96 Morning Edition p 3

[FBIS Translated Text] On 21 March, it was learned that during their 19 March meeting, Prime Minister Ryutaro Hashimoto and New Frontier Party (NFP) President Ichiro Ozawa discussed the issue of dissolving the lower house, which Hashimoto flatly rejected. The leaders also spent considerable time discussing security issues and exchanging views extensively. Since the talks raised various forms of apprehension among members of the Social Democratic Party (SDP) and New Party Sakigake [Harbinger], Chief Cabinet Secretary Seiroku Kajiyama spoke with SDP chairman Tomiichi Murayama and others over the telephone on 21 March to explain. However, the disclosure of more and more information as to what was discussed during the Hashimoto-Ozawa meeting, which Kajiyama did not reveal in his initial explanation, is likely to send additional ripples through the ruling coalition and opposition parties.

A top government official confirmed that Hashimoto and Ozawa discussed the issue of dissolving the lower house. At a news conference held immediately after the Hashimoto-Ozawa meeting, Kajiyama said: "It [the issue of dissolving the lower house] did not come up after I joined [in the talks]." However, on 22 March, a top government official admitted: "Mr. Ozawa did not clearly demand it [the lower house's dissolution], but the prime minister said that 'it is not the time for a dissolution.' Perhaps Mr. Ozawa thought he might be able to force the prime minister into dissolving the lower house."

A number of ruling and opposition party officials disclosed that Hashimoto and Ozawa talked about security issues. The two leaders talked between themselves for the first 30 minutes of their approximately 90-minute meeting. During this time, they reportedly talked about Diet affairs, including dissolving the lower house for less than 20 minutes, and spent most of the rest of the time discussing security issues, with the majority of remarks coming from Ozawa.

Ozawa holds a strong interest in the increasingly tense PRC-Taiwan relations and the DPRK situation. In particular, he asserted that it is necessary to promptly conduct debates on how Japan should respond in case of an emergency. It has been observed that during their meeting, Ozawa and Hashimoto exchanged views on Japan's responses to emergencies.

Meanwhile, on 21 March, Kajiyama called Murayama and SDP Policy Board Chairman Shigeru Ito and explained: "I thought the Diet could be normalized by having the (NFP's) sit-in end in connection with [the approval of] the provisional budget, but that was not possible because they are also having party problems over there. I apologize for creating a stir." At the same time, Kajiyama indicated that the meeting was a "strategy that backfired."

However, with the disclosure of additional information about what was discussed during the Hashimoto-Ozawa meeting, some SDP and Sakigake members still voiced suspicion, saying: "Since they talked just between themselves, there may be more that has not yet been revealed" (as stated by a senior SDP official).

Japan: Coalition-Backed Candidate Wins Upper House By-Election

OW2403134596 Tokyo KYODO in English
1141 GMT 24 Mar 96

[FBIS Transcribed Text] Gifu, Japan, March 24 KY-ODO — A candidate backed by the ruling coalition won the Gifu House of Councillors by-election Sunday (24 March), beating opposition aspirants who demanded the government to abandon a plan to use taxpayers' money to liquidate failed "jusen" mortgage companies.

Tsuyako Ono, 62, supported by the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake [Harbinger], defeated the main opposition Shinshinto (New Frontier Party) candidate Tetsumo Yoshioka, 48, a former Defense Agency official, and Japanese Communist Party (JCP) contender Hiroyuki Yamamoto, 46.

The upper house by-election in Gifu Prefecture, central Japan, was the first national-level electoral test for the coalition government since Prime Minister Ryutaro Hashimoto, head of the LDP, succeeded the premiership Jan. 11 from Tomiichi Murayama, leader of the SDP.

The ruling alliance took the outcome as a sign of public support for the jusen scheme, but the LDP has a strong power base in the prefecture. Of the 53 Gifu Prefectural Assembly members, 43 are from the LDP.

Japan: Diet Returning to Normal After Stalemate on 'Jusen'*OW2503145696 Tokyo KYODO in English
1415 GMT 25 Mar 96*

[FBIS Transcribed Text] Tokyo, March 25 KYODO — Ruling coalition and opposition leaders agreed Monday [25 March] to end their three-week-old stalemate and resume Diet debate over a controversial government plan to liquidate seven failed mortgage companies, prompting a halt to the opposition blockade of a key parliamentary committee room.

The accord was reached at a meeting of leaders of the three ruling parties — the Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake — and the opposition Shinshinto (New Frontier Party) and Japanese Communist Party (JCP), said officials of both sides.

Following the gathering before House of Representatives speaker Takako Doi, Shinshinto endorsed the accord at a meeting of its Diet members and ended the party's 22-day blockade of the lower house Budget Committee Room.

At the leaders' meeting, the parties agreed that the committee will "sincerely" deal with a Shinshinto demand to have LDP Secretary General Koichi Kato testify as an unsworn witness in parliament over his alleged receipt of 10 million yen in 1990 from now-defunct steel frame maker Kyowa Co., a debtor of one of the seven failed "jusen" housing loan firms.

Shinshinto had picketed the budget panel room since March 4, demanding removal from the fiscal 1996 state budget of a 685 billion yen allocation in taxpayers' money to help wind up the failed mortgage firms, and to have Kato testify.

Passage of the 75.1 trillion yen budget for the fiscal year beginning April 1 has been delayed because of the Shinshinto blockade, and the coalition government of Prime Minister Ryutaro Hashimoto has been forced to begin compiling a 50-day stopgap budget.

The ruling and opposition parties agreed that the fiscal budget be discussed sufficiently and that the budget will not be forced through the Diet, the officials said.

Shinshinto also accepted the ruling camp's proposal to set up a special lower house committee to further discuss the liquidation plan for the housing loan firms, which have gone virtually bankrupt mainly due to heavy nonperforming loans to realtors.

The leaders' gathering followed Doi's meetings with secretaries general of the five parties and two rounds of

talks earlier in the day by Diet business managers from the three ruling parties and Shinshinto.

The lower house is now likely to convene a plenary session Tuesday to discuss pension and other outstanding bills requiring quick action before the current fiscal year ends Sunday, begin Budget Committee debate Thursday on the stopgap budget, which the cabinet will adopt and submit to the Diet on Tuesday, and put the interim budget into law at a House of Councillors plenary session Friday.

In that case, the lower house budget panel is to restart discussions on the full budget April 1, the officials said.

The agreement to return Diet proceedings to normal came a day after a candidate backed by the three ruling parties beat aspirants from the two opposition parties in a landslide win in an upper house by-election in Gifu Prefecture, central Japan.

North Korea**DPRK Paper Urges Withdrawal of U.S. Sanctions on Cuba***SK2303050696 Pyongyang KCNA in English
0428 GMT 23 Mar 96*

["Sanctions Against Cuba Must Be Suspended" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — A by-lined article of MINJU CHOSON March 22, noting many countries of the world are opposed to the "Helms-Burton bill", held that the U.S. step for sanctions against Cuba must be withdrawn.

The article says:

Not a few countries including China and Russia are denouncing the bill as a massive violation of the norms of the international laws.

Regardless of the U.S. economic sanctions against Cuba, many businesses of Italy, Spain, Britain, France and other countries of the west are moving towards keeping economic relations with Cuba.

The bill has run into strong opposition in the United States, too.

Such facts indicate that the new U.S. anti-Cuba bill has come under fire worldwide.

The U.S. step for sanctions against Cuba must be withdrawn, and it would be advisable for the United States itself.

**DPRK: LOK Berated for Supporting U.S. Actions
in Taiwan Strait**

SK2503124496 *Pyongyang Korean Central
Broadcasting Network in Korean*
0853 GMT 25 Mar 96

[Unattributed commentary: "The Nature of the Flunk-
ist Traitor Cannot Change"]

[FBIS Translated Text] The South Korean puppets,
being edgy and worried about the military exercise
China has recently conducted in the Taiwan Strait, are
engaged in implicitly instigating the show of force by
the United States in the Taiwan Strait, drawing the
attention of those at home and abroad.

The puppets are raving that if the United States looks
on the Taiwan issue with folded arms, it would cause
decisive damage to the trust of its Asian allies, and that
they cannot tolerate the Chinese military exercise.

The puppets are even making the sophism that there
is the possibility the North will use this opportunity
to threaten them by military means. This is an absurd
outburst that reveals their filthy nature as unprecedented
colonial puppets, war servants, and flunk-ist traitors.

The South Korean regime is a deformed, abnormal,
colonial puppet regime as well as a flunk-ist traitorous
regime that commits without hesitation the act of
fanning a house on fire, siding with this one and
that, trying to read the mind of the major power, its
imperialist master.

This filthy nature of the South Korean puppets was
thoroughly revealed in the unpardonable crime they
committed against their fellow countrymen and the
world's peace-loving people by using the puppet army
as bullet shields and by letting them die worthless deaths
engaged in aggressive forces during the Vietnam war
and the wars in the Middle East.

During the Gulf war, which took advantage of the
dispute between Iraq and Kuwait, the South Korean
puppets actively joined the armed interference of the
outside forces, providing aid with funds and troops. In
this manner, the South Korean puppets revealed to the
entire world their filthy and mean feature as colonial
stooges, flunk-ist traitors, and a detached force of
aggression.

The puppets' act of supporting a show of force by
outside forces against another country is a sort of
challenge to the world's progressive people and peace-
loving forces that treasure peace and independence.
The mean act committed by the Kim Yong-sam ring
in connection with the crisis in the Taiwan Strait is
a repetition of the revelation of the nature of their

shameless treachery as a colonial stooge and flunk-ist
traitor, which was displayed by preceding rulers during
the wars in the Middle East and the Gulf war.

The nature of the flunk-ist traitors cannot change.
Moreover, Kim Yong-sam is a blabbermouth, a man
who is rash and coarse in action, and a cheap racketeer
politician who is habitually engaged in treachery, dis-
guise, and vilification. He has never lived with a sound
mind. To realize his filthy, political, wild desires, he has
been an extremely mean and detestable political prosti-
tute as well as a villainous retainer lacking in principle.

The traitor Kim Yong-sam revealed to the entire world
his mean and filthy nature as a colonial puppet and
a flunk-ist traitor who has lost independence by
the favor-requesting diplomacy he conducted, babbling
about the North's nuclear threat, all the while aimed
at achieving sanctions against the fellow countrymen;
by the push-handle diplomacy he conducted, babbling
about concurrently conducting North-South dialogue, all
the while aimed at hampering the progress of DPRK-
U.S. relations; and by the begging diplomacy (aegol
oegyo) he conducted, babbling about the resumption of
North-South dialogue, all the while aimed at winning
international support and cooperation.

The question is why the Kim Yong-sam ring is so edgy,
worried, and irritant about the so-called Taiwan Strait
issue, and why it is conducting anti-DPRK confrontation
commotions.

It is clear to everyone that the Kim Yong-sam ring—
which faces a serious crisis without parallel in history
due to the mass struggle of the people of various strata
who are calling for the thorough clarification of the slush
fund scandal and the punishment of all who committed
the 18 May Kwangju massacre—needs the imperialist
master's active protection and support through force to
tide over the shaky foundation of its colonial fascist rule
and to maintain power.

In an attempt to increase the price of his body, the traitor
Kim Yong-sam recently toured some Asian countries,
only to receive a cold reception, curses, and scorn before
he returned home. As is seen from this unsuccessful trip,
many countries are reluctant to be associated with the
puppet traitor, the stinky chieftain of thieves and a filthy
flunk-ist traitor.

There is no future for the Kim Yong-sam ring, which
is isolated and rejected by all who have reason, and
which sustains its filthy life in reverse for following the
imperialist master.

DPRK: ROK Call for U.S. Role in Taiwan Crisis 'Sycophantic'

SK2503035496 *Pyongyang KCNA in English*
0339 GMT 23 Mar 96

["Unchanged Sycophantic Nature of Traitor" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, March 23 (KCNA)* — The South Korean puppets, feeling nervous at China's recent military drills in the Taiwan Strait, said "If the United States remains an onlooker to the Taiwan issue, it will greatly hurt its Asian allies' trust," and that China's military drills were "intolerable." Thus, they covertly asked for use of arms on the part of the United States.

NODON'S SINMUN today brands this as a challenge to the progressives and other people around the world who cherish peace and independence.

The news analyst says:

The South Korean regime is a deformed and abnormal colonial puppet government of sycophants and traitors who readily change their positions with no sense of independence and political self-determination, reading the minds of big powers and imperialist masters and who do not hesitate to make others' problems worse.

This is proved by the fact that the South Korean puppets took an active part in armed intervention of outside forces during the Vietnam war, the Middle East wars and the Gulf war.

The Kim Yong-sam group's ill-intentioned behavior concerning the "crisis" in the Taiwan Strait is a replica of the disgraceful acts of colonial stooges, sycophants and traitors which the preceding rulers perpetrated during the wars in the Middle East and the Gulf.

The point at issue is why the Kim Yong-sam group conduct a campaign against the DPRK, feeling ill at ease over the "Taiwan Strait issue."

The Kim Yong-sam group are in a serious government crisis in face of the people's struggle demanding a strict probe into the unprecedented slash fund scandal and the punishment of all those involved in the May 18 Kwangju massacre. It is evident that they need zealous patronage of their imperialist masters and their backing with "strength" in the effort to prop up the shaking colonial fascist rule and remain in power.

There is no future for the Kim Yong-sam group, who are isolated and forsaken by all honest-minded people and who prolong their days, clinging to the sleeves of their imperialist masters.

DPRK: U.S.-ROK 20-21 Mar 'War Exercise' Denounced

SK2303044696 *Pyongyang KCNA in English*
0431 GMT 23 Mar 96

["Adventurous Military Maneuvers" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, March 23 (KCNA)* — The U.S. imperialist warmaniacs and the South Korean puppets on March 20-21 carried out a provocative joint air war exercise in the sky above South Korea with about 930 fighter bombers, pursuit assault planes, assault planes and reconnaissance planes, military sources said.

More than 20 large transport planes, including an extra-large transport plane, loaded with operational equipment in bulk flew to bases of the U.S. Air Force in South Korea from a United States Pacific base on March 20.

That same day, the South Korean puppets massively brought 6 armoured vans in Paju county, Kyonggi Province and 80 military vehicles loaded fully with lethal equipment in cholwon county, South Korean Kangwon Province.

On March 21, 105 mm and 155 mm artillery groups of the puppet army showered more than 350 shells towards the demilitarized zone (DMZ) and hundreds of armed soldiers of the puppet army deployed in the area adjacent to the DMZ fired about 1,700 bullets with 12.7 mm machine guns and automatic rifles.

A danger-ridden situation reminiscent of the eve of war is being created on the Korean peninsula due to the frantic war exercises of the U.S. imperialists and the South Korean puppets against the North, which have been more undisguised with each passing day.

DPRK Paper on ROK Foreign Minister's Trip to U.S.

SK2303105096 *Pyongyang KCNA in English*
1025 GMT 23 Mar 96

["Mendicant Trip" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang, March 23 (KCNA)* — MINJU CHOSON today comments on the South Korean puppet foreign minister's trip to the United States and other countries.

The news analyst says:

During his trip he will reportedly demand the DPRK-U.S. relations be promoted in parallel with progress in inter-Korean relations. This reveals the sycophantic, treacherous colors of the Kim Yong-sam group.

The mendicant diplomacy of the puppets to perpetuate the division of the country is a challenge to and a mockery of the nation's desire for peace and peaceful reunification of the country.

Through such diplomacy, the Kim Yong-sam group intend to put a spoke in the wheel of the implementation of the DPRK-U.S. framework agreement and get rid of isolation at home and abroad. This is a foolish attempt, however.

All things will go well in the DPRK, however the puppets may be jealous of them and whatever complaints they may make. Meanwhile, the puppets will be isolated and rejected further in the international arena. Nothing but disgrace and destruction is set in store for the Kim Yong-sam group, who resort to division-oriented, sycophantic and mendicant trips, ignoring the desires and demands of the nation.

DPRK: ROK Planned 28 Mar Military Maneuvers Criticized

SK2403082596 Pyongyang KCNA in English
0811 GMT 24 Mar 96

["Move Against Nation's Desire" — KCNA headline]

[FBI Transcribed Text] Pyongyang, March 24 (KCNA) — The Kim Yong-sam group announced that they will hold the provocative "Hoguk 96" military maneuvers in Kyonggi and South Korean Kangwon Provinces and on the east and west coasts for six days from March 28, a Seoul-based radio said.

The puppet clique has planned to mobilize two corps of the puppet ground force and large Air and Naval Forces in the war drill.

Now the fellow countrymen demand peace and great national unity.

But, the South Korean puppets' continuation of reckless war drills this year only results in keying up tension on the Korean peninsula.

It is the behaviour of those who have not an iota of the nation's soul.

Those who wield swords against the nation's desire and interest will face hatred and denunciation.

DPRK: Kim Yong-sam Military Preparedness Remarks Criticized

SK2503110096 Pyongyang KCNA in English
1033 GMT 23 Mar 96

["Reckless Confrontation Racket" — KCNA headline]

[FBI Transcribed Text] Pyongyang, March 23 (KCNA) — The traitor Kim Yong-sam held a ceremony to

award "commendations" to ranking officials on March 22, where he slandered the North over its "military movements" and claimed that the United States and South Korea were in full preparedness for cooperation, a Seoul-based radio reported.

On March 21, he met with U.S. Pacific Forces Commander Joseph Proeber and asked for "South Korea-U.S. cooperation in security."

This was motivated by his foolish intention to step up war preparations against the North and prolong his remaining days with the help of outside forces under the pretext of "military threat" from the North.

The DPRK Government has consistently made sincere efforts to prevent the danger of war on the Korean peninsula, preserve peace in Korea and reunify the country peacefully.

This year, it proposed to conclude a tentative agreement to replace the Armistice Agreement in order to prevent an armed conflict till a peace agreement has been signed between the DPRK and the United States. It also proposed to make 1996 "a year of peace and great national unity."

The peace overtures of the DPRK have enjoyed support from broad public circles around the world.

Ignoring this fact, the Kim Yong-sam group are slandering the north. This proves that they are war-maniacs who do not want national reconciliation, unity and peaceful reunification but "unification by prevailing over communism" by force of arms.

Some time ago, Kim Yong-sam incited confrontation and war with the DPRK at graduation ceremonies of the puppet Naval and Women's Military Academics.

Lurking behind his habitual propaganda about "threat from the North" is a sinister intention to bridge over the serious "government" crisis.

The political forces of different social strata and other people in South Korea are determined to settle accounts with the Kim Yong-sam regime at the puppet general elections slated for April.

With a view to diverting their attention elsewhere, Kim Yong-sam raised the fiction of "threat from the North" again. This will, however, precipitate his own destruction.

DPRK Paper on Remarks by ROK Air Force Chief of Staff

SK2403090096 Pyongyang KCNA in English
0835 GMT 24 Mar 96

[NODONG SINMUN Comments on S. Korean Brasshat's Indiscreet Act" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 24 (KCNA) — The new chief of General Staff of the South Korean puppet air force, Yi Kwang-hak, recently sent a "written directive" to the "commanding officers and staff members of the Paekho (white horse) unit of the Air Force", calling for "measures to cope with the North's invariable strategy for communizing the South and its possible military adventure."

Commenting on his bellicose "directive", NODONG SINMUN today says:

We will not remain an onlooker to the fact that the Kim Yong-sam group have encouraged such brasshats as Yi Kwang-hak to let loose provocative utterances in succession getting on the nerve of the North.

Yi, following the traitor Kim Yong-sam, who has never let a chance pass by without talking about "threat from the North," charged the North with "its design to communize the South." This goes to clearly prove that he has no sense.

The puppets' allegation about "military threat from the North" is only a pretext for invading the North.

If they ignore our will for peace and persistently resort to the anti-North propaganda, confrontation and war provocation moves, they will have to pay dearly for them.

DPRK Paper Urges Release of Chong Min-chu, Yi Hye-chong

SK2303050896 Pyongyang KCNA in English
0438 GMT 23 Mar 96

[No Force on Earth Can Break Will of Champions of Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — The Kim Yong-sam fascist clique should withdraw the demand for prison terms inflicted upon Chong Min-chu and Yi Hye-chong and set them free without delay, says NODONG SINMUN in a commentary today.

The Kim Yong-sam fascist clique held a trial on March 21 and demanded prison terms of 12 years and suspension of qualifications of 12 years against the coeds on the charges of violating the "national security law." Chong Min-chu and Yi Hye-chong visited Pyongyang in August last year to participate in the grand national

reunification festival held to mark the 50th anniversary of Korea's liberation from the Japanese colonial rule as delegates of the "South Korean Federation of University Student Councils" under the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

Calling attention to the fact that of late the North side headquarters of Pomchonghangnyon held an emergency meeting and formed a committee for the release of the coeds and called for their immediate release, the analyst says:

But the Kim Yong-sam group demanded heavy penalties for them. This is an unpardonable crime against the desire of all the fellow countrymen for reunification.

The puppets are charging the coeds with visiting the North without their permission. It is only too natural that the people in the North and South make free contacts and visits for the reunification of the country; it is not a thing that should be done under someone's "permission".

In charging them with "sympathizing with and approving" the north-proposed reunification line and with supporting its proposal for reunification by confederacy formula the Kim Yong-sam fascist clique betrayed their true colors as the partitionists.

All this shows that the Kim Yong-sam group does not want dialogue nor reunification.

If the Kim Yong-sam group continues suppressing the "South Korean Federation of University Student Councils" and students, it will invite bitterer condemnation and curses from the whole nation as well as a stern judgement of history.

DPRK: ROK Official's Alleged Illegal Fortune Noted

SK2303102296 Pyongyang KCNA in English
1006 GMT 23 Mar 96

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — The chief of the first section of "Chongwadae" [presidential offices], Chang Hak-no, who is a secretary for the traitor Kim Yong-sam, has amassed 3.7 billion won in an illegal way, a Seoul-based radio reported.

Since 1993 when he began working at "Chongwadae", he has had his mistress and her family members heavily insured and bought lands, apartments and shops in a big way and made an illicit fortune through real and personal estate.

The co-chairman of the Election Measure Committee of the "National Congress for New Politics" made public

a building register and a cadaster of Chang Hak-no's mistress and her family members as evidence on March 21.

DPRK: Meeting on Forcible Drafting of Koreans Held in Tokyo

SK2303104496 Pyongyang KCNA in English
1009 GMT 23 Mar 96

[FBIS Transcribed Text] Tokyo, March 21 [date as received] (KNS- KCNA) — A joint council meeting of the investigation teams for the truth of forcible drafting of Koreans was held in Tokyo on March 20.

Reports on activities were delivered by representatives from local investigation teams and an action program of the investigation teams for 1996 were discussed and adopted at the meeting.

The action program requires the investigation teams to carry on the movement for opening to the public the materials on the forcible drafting of Koreans, the activities for collecting testimonies from the draftees, the movement for building a memorial monument and others.

It also requires them to urge the Japanese Government to settle the issue of the "comfort women for the Japanese Army" and prepare testimonies of the victims to the forced labour at the U.N. Commission on Human Rights.

The action program deflax an active signature campaign on the part of the Japanese side of the joint council and the investigation into forcible drafting on the part of the Korean side as an immediate task.

DPRK: Japan's Fear of DPRK, PRC 'Threat' Sold Excuse

SK2303051496 Pyongyang KCNA in English
0441 GMT 23 Mar 96

["Move To Become Military Power" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — The Japanese reactionaries are these days making a fuss about "military threats" from the DPRK and China and calling for "adjustment of legislation" and "strengthening of Japan-U.S. security system."

NODONG SINMUN today brands this as aimed at stepping up the program of building a military power and completing war preparations for overseas aggression under the pretext of "military threats" from other countries.

The news analyst says:

The invariable ambition of the Japanese reactionaries is to build military strength commensurate with an economic power and, on the basis of it, realise overseas aggression.

They groundlessly slander the DPRK with a view to diverting the sharp watch of Asian people and justifying their efforts to become a military power. Taking advantage of the China-Taiwan crisis, they are peddling "threat" from China as an excuse for their criminal activities.

With no crafty effort, however, can the Japanese reactionaries conceal their dark intention.

For Japan to take the line of a military power and reinvasion will lead to its own destruction.

They had better remember this.

DPRK: NODONG SINMUN Observes Day of Pakistan

SK2303105496 Pyongyang KCNA in English
1027 GMT 23 Mar 96

["NODONG SINMUN Observes Day of Pakistan" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — The Korean people extend warm congratulations to the Pakistani people on the day of Pakistan and wish them greater success in their efforts for creating a new life, NODONG SINMUN in a signed article today says, and goes on:

The Pakistani Government has pursued non-alignment in foreign policy and made efforts to develop relations with the neighbouring countries, the Islamic countries in particular, on the basis of the principles of equality, justice, mutual respect and cooperation.

The friendly and cooperative relations between the peoples of Korea and Pakistan have been formed and consolidated in the course of the struggle for creating a new independent life and are continuing to develop on good terms.

The Korean people will make active efforts to develop these with the Pakistani people as in the past.

DPRK: WPK Delegates Return Home From Yugoslavia, Bulgaria

SK2303142596 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 19 Mar 96

[FBIS Translated Text] On 19 March, delegation of the Workers Party of Korea (WPK) led by Chi Chao-yong,

deputy director of a department of the WPK Central Committee, returned home by train after winding up its visit to Yugoslavia and Bulgaria.

The delegation was welcomed at the Pyongyang Station by Yim Sun-pil, deputy director of a department of the WPK Central Committee; Ljubomir Ojukic, Yugoslav ambassador to our country; and (Dimitar Decov), trade counselor at the Bulgarian Embassy.

DPRK: Overseas Koreans Support DPRK Peace Initiative

*SK2303044096 Pyongyang KCNA in English
2203 GMT 22 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — Overseas Koreans are fully supporting a proposal to make this year a "year of peace and great national unity", which was adopted at a joint meeting of political parties and organizations in the Democratic People's Republic of Korea.

Kang Il, chairman of the International Korean Association (Unky), told a press conference on March 12 that contacts and negotiations among all the compatriots in the North, the South and overseas are necessary to make this year "a year of peace and great national unity", adding that he would make every possible effort for their materialization.

The General Federation of Korean citizens in China in a statement said that all the Koreans who are concerned for the future of the country and the nation should get firmly united regardless of differences in ideology, political view and religious belief and join in a nationwide struggle to make this year "a year of peace and great national unity."

Chairman Kim Chong-su of the Association of Koreans in Japan for Peaceful Reunification, Chairman Sok Myong-sun of the Uzbek Korean Association (Unky), Chairman Hwang Chul-sung of the Jilin Regional Association and Chairman An Tok-su of the Mudanjiang Regional Association, of the General Federation of Korean Citizens in China released press statements respectively.

They vowed to make all efforts for a joint struggle for peace and national reunification under the uplifted banner of the 10-point programme of the great unity of the whole nation.

DPRK Paper Dedicates Article to World Meteorological Day

*SK2303104896 Pyongyang KCNA in English
1015 GMT 23 Mar 96*

["World Meteorological Day Observed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — MINJU CHOSON today dedicates a signed article to the world meteorological day.

The Democratic People's Republic of Korea became a member of the World Meteorological Organisation at its 7th conference held in May 1975.

The hydro-meteorological service of the DPRK has firmly maintained the chuche-oriented stand and independently solved all the problems in meteorological activities in the past.

All the activities of the service fully conform with the mission and purpose of the world meteorological organisation.

A well-regulated system of meteorological service has been established to contribute to human life and health in the DPRK under the wise guidance of the great leader Comrade Kim Chong-il. The system is guaranteed by modern technological facilities.

The DPRK will expand and strengthen cooperation and exchange with the world meteorological organisation and other member states to fully carry out its duty in this field in the future, too.

DPRK: Kim Chong-il Inspects Revolutionary Relics of KPA Unit

*SK2303014296 Pyongyang Korean Central
Broadcasting Network in Korean
2100 GMT 22 Mar 96*

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army (KPA), looked over the revolutionary sites of the KPA No. 512 unit.

On 20 March Comrade Kim Chong-il, chairman of the DPRK National Defense Commission; supreme commander of the KPA; and the great leader [yongdoja] of our party and people, looked around the historic revolutionary relics of the great leader [widachan suryong] set up at KPA Unit No. 512.

Comrade Yi Ha-il, vice marshal of the KPA; Comrade Generals Kim Myong-kuk and Kim Ha-kyu; and Comrade Colonel Generals Pak Chae-kyong and O Kum-chol accompanied him. Supreme Commander Comrade

Kim Chong-il was received on the spot by Comrade General Choe Chae-son; Comrade Lieutenant General Yi Chha-hae; and commanding personnel of the unit.

Supreme Commander Comrade Kim Chong-il looked around the education room for revolutionary relics of the unit. In May 1965 the unit was honored to receive on-the-spot guidance from the Great Leader [widachan suryong] Comrade Kim Il-song and the respected and beloved [kyongachanun] Supreme Commander Comrade Kim Chong-il. Thus, the unit has furnished the education room for revolutionary relics with precious relics of on-the-spot guidance materials and, through this, they are properly carrying out education work for the soldiers.

Supreme Commander Comrade Kim Chong-il looked over the relics and relic materials exhibited in the education room and, with deep emotion, recalled the unforgettable days some 30 years ago. He said that the great achievements accumulated by the fatherly leader [oboi suryong] to strengthen and develop the revolutionary armed forces will be immortal.

Comrade Kim Chong-il said the education room for revolutionary relics is one of the education bases which has very important significance in the political and ideological education of the soldiers, and put forth tasks in the management of preserving the relics and operating the education rooms.

Next, Supreme Commander Comrade Kim Chong-il looked around Chol Pass, which is permeated with the great leader's [widachan suryong] immortal historic relics. On 10 May 1965, while on his way to a People's Army unit, the Great Leader [widachan suryong] Comrade Kim Il-song stopped at the top of this pass and highly assessed the feats of the soldiers and people who guaranteed wartime transportation during the past fatherland liberation war period by indomitably crossing over Chol Pass. He also met the People's Army fighters and bestowed endless love and benevolence on them.

While looking around the historic monument erected at the summit, Comrade Kim Chong-il said Chol Pass is truly a significant place in which the great leader's [widachan suryong] sacred course is shown and embroidered with the leader's [suryong] warm love toward the fighters of the People's Army.

Comrade Kim Chong-il called Comrade Pak Kwang-chol, a KPA corporal, who was carrying out combat duties at the summit, to his side, and asked him about his service, hometown, parents, age, and health condition in detail. He praised him for reliably defending the guard at the mountain post and took a commemorative picture with him.

All the soldiers of the unit were irresistibly filled with boundless emotion of thanks toward the respected and beloved [kyongachanun] comrade supreme commander, who embraced eternal love and faith to advocate, adhere to, and elucidate the leader's [suryong] revolutionary achievements generation after generation and by personally visiting the unit regardless of his busy schedule of making consecutive inspections to distant front lines. Thus, they were overflowing with the blazing determination to impregably defend the fatherland's defense line.

DPRK: Kim Chong-il Visits KPA Central Front 20 Mar

SK2503023696 *Pyongyang Korean Central Broadcasting Network in Korean*
2100 GMT 22 Mar 96

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], inspected a KPA unit at Mt. Osong along the central front.

Comrade Kim Chong-il, chairman of the DPRK National Defense Commission, supreme commander of the KPA, and great leader [yongdoja] of our party and our people, inspected a KPA unit situated along the central front on 20 March. Comrade Yi Ha-il, vice marshal of the KPA; Comrade Generals Kim Myong-kuk and Kim Ha-kyu; Comrade Colonel Generals Pak Chae-kyong and O Kum-chol; and commanding personnel of the KPA Supreme Command's operations team accompanied him.

Revolutionary and military slogans such as "Long live the respected and beloved [kyongachanun] Supreme Commander Comrade Kim Chong-il!" "Let us devotedly fight for the respected and beloved Supreme Commander Comrade Kim Chong-il!" and "Let us defend with our lives the nerve-center [sunoebu] of the revolution headed by the Great Comrade Kim Chong-il!" [widachan Kim Chong-il tongjirul subanurohanun hyongmyongui sunoeburul moksumuro sasuhaja] were put up at the unit, which is vibrant with the matchless victory and revolutionary spirit of the military.

The heart of each soldier in the unit was beating vigorously from their endless emotion and happiness over the fact that they were able to welcome the respected and beloved comrade supreme commander, whom they had wanted to meet even in their dreams, to their unit.

At 1230 [0330 GMT], the respected and beloved Supreme Commander Comrade Kim Chong-il arrived at the unit. Right at that moment, at every guardpost of

the mountain, storm-like shouts of hurrah were shouted out and the slogan of defending with the do-or-die spirit vigorously resounded.

The Supreme Commander Comrade Kim Chong-il was received on the spot by Comrade Colonel General Yi Myong-su; Lieutenant General Comrade Kim Yong-un; and commanding staff of the unit.

After receiving a welcoming report, Comrade Kim Chong-il walked along a high and steep rugged road to arrive at the forward commanding post situated at the summit of the mountain.

Looking down at the high and low mountain ridges of the front line that stretch out in a panorama-like fashion, Comrade Kim Chong-il recollected with deep emotion the heroic struggle feats of the brilliant fighters of the People's Army and people who carried out sanguinary decisive battles on every (mountain ridge) during the fatherland liberation war period.

Gazing at the enemy's camp on the other side of the unit's front line of defense, Comrade Kim Chong-il listened attentively to a report about the enemy situation and gained a detailed understanding of the geographical condition.

After receiving a situation report from the general of the unit, Comrade Kim Chong-il expressed great satisfaction over the fact that the commanding personnel of the unit had thoroughly implemented the demand of our party's *chuche* war method and established tactics in accordance with the tactical intention of the highest command.

Comrade Kim Chong-il said that all of our commanding personnel and fighters must be firmly prepared politically, ideologically, militarily, and technically so that they can foil any invasion by enemies in a single blow. He put forth programmatic tasks that are guidelines to all the more strengthening and developing the KPA into a strong, invincible, peerless force.

Next, Comrade Kim Chong-il met soldiers of the unit who were on watch duty and acquainted himself in detail with the circumstances of their military duties and everyday lives. He expressed great satisfaction over the fact that all the soldiers are reliably defending the front line guard posts by being endlessly loyal toward the party, revolution, fatherland, and people, and by being embraced with a blazing hatred toward enemies. He also had a commemorative picture taken with the soldiers.

On this day, Comrade Kim Chong-il sat face to face with the soldiers of the unit and talked about work and everyday living, shared in a simple field meal, and had a commemorative picture taken.

In commemoration of the visit to the unit, Comrade Kim Chong-il gave automatic rifles and binoculars. Soldiers of the unit consolidated the blazing pledge of loyalty to thoroughly implement the militant tasks put forth by the respected and beloved comrade supreme commander so that the front line guard posts can be defended as an impregnable fortress. They gave greatest honor and thanks to the great general as he left the unit.

The historic inspection carried out by the respected and beloved Supreme Commander Comrade Kim Chong-il is a great, encouraging banner vigorously calling the army and people to the struggle for strengthening and developing our revolutionary armed forces, and to the ultimate victory in the *chuche* revolutionary cause, and will be elucidated eternally in the history of military construction as a brilliant example of the respected and beloved general's achievements in leading military construction.

DPRK: Russian Group Urges Marking Kim Il-song's Birthday

*SK2303104696 Pyongyang KCNA in English
1012 GMT 23 Mar 96*

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA) — The Russian Association for Friendship and Cultural Cooperation With the DPRK made public an appeal to organizations for friendship and solidarity with the Korean people in the world with the approach of the great leader President Kim Il-song's birth anniversary.

The appeal said:

We formed a special preparatory committee of famous personages in Russia, which is preparing various functions such as a large rally, a meeting with persons who were intimate with President Kim Il-song, an exhibition, film show and media propaganda on the occasion of the president's birth anniversary.

We call for all the friends of the Korean people in the world to commemorate the fifteenth of April this year, the 84th birthday of Comrade Kim Il-song, with various functions on a large scale.

In view of our experience, it is desirable to form preparatory committees including highly famous and respected figures of public circles.

By commemorating his birth anniversary we must all pay our boundless respect to Comrade Kim Il-song, the greatest man of the present era, and also express firm solidarity with the struggle of the fraternal Korean people for national reunification and a free and happy life.

DPRK: Anniversary of Korean National Association Observed

SE2503105196 *Pyongyang KCNA in English*
1021 GMT 23 Mar 96

[FBIS Transcribed Text] *Pyongyang, March 23 (KCNA)*
— Today is the 79th anniversary of the formation of the Korean National Association (KNA).

With a view to realizing his lofty motto "aim high" Kim Hyong-chik, an outstanding leader of the anti-Japanese national liberation movement of Korea, inaugurated the revolutionary organization with the patriotic champions of independence on March 23, 1917, while attending the Sungli Middle School in Pyongyang.

The KNA was a well-knit anti-Japanese revolutionary underground organization which took deep root in the masses.

Competent and tested patriots were admitted to the organization which was hidden behind the Hakgyo-kye (school association), the Paek-kye (stone monument association) and the Hyangto-kye (local community association), legitimate peripheral organizations.

Involved in the KNA were workers, peasants, teachers, students, soldiers (independence army), merchants, religiousists, handicraftsmen and other people. And the organization spread to all parts of Korea and even to Beijing, Shanghai, Jilin and other Chinese areas and other alien lands where Koreans lived.

After its inauguration the organization was subject to harsh suppression by the Japanese imperialists.

Kim Hyong-chik quickly rehabilitated the organization through energetic activities, so that it could fight to achieve the independence of the country by the efforts of the Korean people themselves.

Papers here today dedicate articles to the occasion.

HODONG ENMUN says that Kim Hyong-chik formed the KNA, a revolutionary organization based on steadfast anti-imperialist, independent stand and developed the anti-Japanese national liberation movement onto a new stage. His undying achievements remain long in the hearts of the people.

His lofty idea of "aim high" was carried forward and developed into the chuche idea by the great leader Comrade Kim Il-song; today the great leader Comrade Kim Chong-il is leading the Korean people to a bright future, true to the revolutionary traditions.

DPRK: Yi Chong-ok, Chang Chol Attend GFULAK Meeting

SE2503123096 *Pyongyang KCNA in English*
1159 GMT 25 Mar 96

[FBIS Transcribed Text] *Pyongyang, March 25 (KCNA)*
— A meeting was held at the People's Palace of Culture today to mark the 50th anniversary of the General Federation of the Unions of Literature and Art of Korea (GFULAK) (March 25, 1946).

It was attended by Yi Chong-ok, Politburo member of the Workers' Party of Korea (WPK) Central Committee and vice-president of the DPRK; Chang Chol, vice-premier of the Administration Council; and other officials concerned and writers and artistes.

A delegation of Korean writers and artistes in Japan was also present.

A congratulatory message from the WPK Central Committee to the organizations of the GFULAK and the writers and artistes was conveyed at the meeting.

Over the past 50 years, the GFULAK has creditably discharged its honorable duty in the effort to build chuche-based literature and art under the wise leadership of the party and the leader and positively contributed to bringing about a great heyday in literature and art, the message said.

When a new turn was taking place in the Korean revolution under the banner of the modelling of the whole society on the chuche idea, the GFULAK conducted an effective art education among writers and artistes, true to the great leader Comrade Kim Chong-il's chuche-based idea and policy on literature and art, so that they could successfully produce literary and art works of high ideological and artistic value as demanded by the party and the revolution. Thus, the GFULAK greatly contributed to developing socialist literature and art and strengthening the driving force of the revolution, the message noted.

Paek In-chun, chairman of the Central Committee of the GFULAK, said in his report at the meeting:

"The great leader Comrade Kim Il-song established the glorious tradition of our party in literature and art. After liberation, he founded the General Federation of the Unions of Literature and Art of Korea and wisely guided the development of literature and art.

"The foundation of the GFULAK marked a new turning point in the destiny of writers and artistes and in the development of literature and art of liberated Korea. It meant the birth of a strong organization to wage a powerful movement of literature and art.

"Comrade Kim Chong-il put up the banner of revolution in literature and art and saw to it that the work of the GPULAK was improved as demanded by the developing revolution so that it could perform its mission and duty as an organization for education of writers and artists.

"His many celebrated works including 'Theory of Cinematic Art,' 'Theory of Chuche Literature,' 'Theory of Music,' 'Theory of Fine Art' and 'Theory of Choreography' are great ideo-theoretical assets which give profound and comprehensive answers to all theoretical and practical issues in the development and production of literature and art in the era of chuche.

"If our literature and art is to faithfully serve the chuche revolutionary cause, we must defend and exalt the immortal exploits performed by Comrade Kim Il-song and Comrade Kim Chong-il.

"Only by remaining true to the ideology and leadership of our party, can our literature and art be perfectly chuche-oriented and produce all works as masterpieces of the time."

A letter of pledge to Comrade Kim Chong-il was adopted at the meeting.

DPRK: Art Show Urges 'Live Today for Tomorrow'

SK2303043996 *Pyongyang KCNA in English*
2159 GMT 22 Mar 96

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA) — An art show on the theme of "Live Today for Tomorrow, Not for Today," the revolutionary view of life of the Great Leader Comrade Kim Chong-il, opened here on Thursday.

On display are pieces of fine arts portraying the respected leader President Kim Il-song standing in the van of the revolution, holding the red flag high all his life for happiness of the Korean people and brilliant future of humanity, and Comrade Kim Chong-il making tireless efforts for the people.

Also on display are works of fine arts showing the noble fighting spirit of the anti-Japanese revolutionary predecessors, heroes and heroines in the fatherland liberation war period, standard-bearers in the age of the Great Chollima Uprising and the present people of Korea.

South Korea

ROK President Kim, New U.S. Pacific Commander Meet 21 Mar

SK2303030496 *Seoul CHOSON ILBO in Korean*
22 Mar 96 p 2

[By reporter Kim Chang-ki]

[FBIS Translated Text] A high-ranking government official revealed on 21 March that both the ROK and the United States shared the understanding that North Korea's internal situation is not limited to only the economic crisis such as with food shortages, but is so serious that the phenomenon of social deviation is prevalent. He also noted the possibility of North Korea committing military provocation as a result of such internal crisis. Thus, he stated that in this connection, the ROK and the United States decided to work out a three-point plan of countermeasures.

This official revealed this while explaining the contents of the dialogue exchanged between President Kim Yong-sam and Joseph Prueher, the new commander-in-chief of the U.S. Pacific Command, who paid a courtesy call on him on the morning of 21 March. They had exchanged views on mutual concerns including measures to promote ROK-U.S. cooperation for peace and security in the Asia-Pacific region.

This official said: "Therefore, both the ROK and the United States first consented to all the more closely strengthen the ROK-U.S. military information and exchange system in order to quickly grasp and cope with any military moves from North Korea. Second, they decided to send a clear message to the North Korean side that they will repel any provocation by North Korea. Third, should North Korea actually commit a provocation despite of this, both the ROK and the United States will maintain and augment their combined forces so that they can sufficiently repel provocation by North Korea."

ROK: AmCham Urges Visa Waivers, OECD Membership for ROK

SK2303042896 *Seoul THE KOREA TIMES in English*
23 Mar 96 p 9

[FBIS Transcribed Text] The American Chamber of Commerce in Korea (AmCham Korea) yesterday released a document that urges the U.S. Congress to provide a visa waiver for Koreans visiting the United States and says that Korea has made significant progress in protecting intellectual property rights.

In its draft annual report, to be published early next month, AmCham expects the U.S. trade surplus to

continue because of the increased competitiveness of American companies and a decline in market share of Korean consumer products in the United States since 1990.

It said although reforms and changes are starting to take place, especially at upper levels of government, they have not all reached the working level or business community. There is still much work to be done. High interest rates, difficulty in obtaining financing, consistent enforcement of intellectual property rights, excessive regulations, lack of transparency and limited market access continue to make Korea a difficult place to do business, it said.

The chamber noted that the overall trade and investment environment still closely resembles the Japanese model rather than the more open approach of most other Asian nations.

The financial sector requires the most change to meet world standards for advanced countries. Foreign exchange controls, offshore financing and high interest rates, along with banking, securities, and insurance industry reforms, are among the areas of most concern to foreign investors, it said. This holds true for all investors, not only those in financial industries, since all investments require competitive financing to ensure desired business results, AmCham said.

This problem adversely affects Korean companies as well, as well evidenced by the 14,000 bankruptcies of small and medium companies last year, it said. In this area, the Federation of Korean Industries (FKI) agrees that Korea needs to remove more financial and foreign exchange controls, it said.

AmCham noted that Korea aspires to OECD membership this year but that it will take a considerable effort by the government to implement the changes necessary to do this, particularly with elections, in which the ruling party is struggling to maintain a majority, coming up.

AmCham said it fully supports OECD membership for Korea assuming that there are no major delays to announced market access and reform programs.

ROK: U.S. Declassified Documents on 1980 Events Viewed

SK2303070196 Seoul YONHAP in English
0242 GMT 23 Mar 96

["Coup Leaders Viewed Three Kims Negatively in 1980: Washington" — YONHAP headline]

[FBIS Transcribed Text] Washington, March 22 (YONHAP) — South Korean military leaders apparently de-

cided as early as February 1980 that it would be best if the "three Kims" — Kim Yong-sam, Kim Tae-chung and Kim Chong-pil — did not return to politics, a recently declassified report filed by the U.S. Embassy in Korea to Washington showed Friday.

Ambassador William Gleysteen's secret message of Feb. 26, 1980 discloses this while it discusses the outcome of a dinner hosted by TONG-A ILBO Chairman Kim Sang-man for the three Kims three months prior to the military leaders seizure of government control through the expansion of martial law.

The report indicated that the party seemed to be an occasion to give to South Korean Government and military leaders the impression it would be best if the three Kims did not return to politics.

At the lavish dinner held at the Incheon Memorial Hall, all three Kims looked awkward, it said.

Kim Chong-pil talked the most out of the three; Kim Yong-sam seemed to feel a little uneasy since he had been invited to a feast that was in effect designed to celebrate Kim Tae-chung's political comeback; and Kim Tae-chung was awkward because he had to converse with some of the close aides of slain President Pak Chong-hui, his political foe.

The message said Mr. Chong Il-kwon, former prime minister, tried with limited success to make the uneasy atmosphere amiable.

In another message dated a week earlier, Feb. 19, the embassy said the then-president Choe Kyu-ha and Mr. Kim Yong-sam met and talked for about five hours on Feb. 18. It was their first meeting since Choe had been sworn in.

Originally Prime Minister Sin Hyon-hwak was to attend the meeting, but stepped out shortly before Kim Yong-sam and his party arrived, after excusing himself for a previous engagement.

The embassy report said Shin's absence seemed to be an effort to scale back the importance of the Choe-Kim meeting.

ROK: Need for Presence of U.S. Troops Discussed
SK2403081496 Seoul THE KOREA TIMES in English
24 Mar 96 p 3

[By staff reporter O Yong-chin]

[FBIS Transcribed Text] Does South Korea require the presence of U.S. troops to guarantee peace and stability on the peninsula?

The answer is a strong "yes" when the question is asked now as North Korea, teetering on the brink of collapse,

refuses to give up its ambitions of communizing the South by force.

The North has an army of one million highly trained men, even if its morale may be questionable under a leadership that is not capable of feeding its own population.

As a result of devoting itself to war preparations for decades, the North has become a garrison state with military hardware double the size of the South's.

One Army officer cautiously predicted, "The North would be tempted to undertake armed aggression against the South, should the U.S. pull out." He said that the South would have a very hard time defending itself against the superior military power of the North.

He pointed out the lack of a ROK intelligence gathering capacity as one of many reasons the U.S. troops are here.

A spokesman for U.S. Forces Korea [USFK] compared the American troops under its command to an "extra boost" needed to quell and defeat an invasion from the North as quickly as possible and with the fewest losses to life and economic structure. He said that the South alone is already strong enough to fight the North.

The extra USFK boost is perhaps acutely needed at present as the North is being pushed into a corner with its controlled economy grinding to a stop. There now exists a chance of its leadership miscalculating and deciding to conduct a southern invasion in an all or nothing war.

In the long term, even after the North Korean threat is resolved and the peninsula unified, many senior military planners say, U.S. troops will still be required on the peninsula, although not in the numbers presently seen here.

Maj. Gen. Pak Yong-ok, a chief planning officer at the Defense Ministry, said, "After national unification, the chief role of the U.S. forces in Korea will be switched from deterring a North Korean attack to preserving peace in Northeast Asia."

"I believe that the unified Korea will find its ideal security partner in the United States, surrounded as it is by much bigger powers," Pak said, "although the presence of U.S. troops in Korea might be cut down to a symbolic level."

Some military watchers say that U.S. troops must continue to remain on the post-unification peninsula for purely economic reasons.

"The U.S. spends billions of dollars to maintain troops in Korea every year," one said. "Should they pull out,

Korea would either have to take up the slack at high cost or live in fear of insecurity."

But as a matter of course, decisions on whether or not U.S. troops will be stationed in Korea will be made in accordance with the individual interests of the two countries and how they come together.

If the United States believed USFK should be withdrawn, whether for budgetary reasons or because of a sudden change in its strategic goals it is most likely that it would pull out its troops.

It has been the general belief, a belief that has been widely confirmed, that the aim of the U.S. military presence in Korea was to keep communist states in check before the collapse of the Soviet Union. Although things are now in flux, the present U.S. goal generally appears to be to keep peace in Asia.

By the same token, South Korea can also ask USFK to leave if the government concludes with public support that the country is capable of defending itself against an outside invasion.

Aside from such calculations by the two countries of the benefits and disadvantages of the continued presence of U.S. troops here, there exist emotional factors that bond both hosts and U.S. troops together, as seen in the often-repeated pledges by the U.S. to maintain its troops as long as they are wanted.

At any rate, Korea and the United States will continue to work out the problems that are entailed when U.S. troops are stationed outside the U.S. to make their future in Korea smoother. These problems include revisions to the Status of Forces Agreement, base relocations, and treatment of Korean employees of USFK, among other things.

ROK: U.S. Pressure To Further Open Telecom Market Increasing

SK2403024496 Seoul THE KOREA TIMES in English
24 Mar 96 p 8

[By staff reporter Sim Chae-yun]

[FBIS Transcribed Text] Out of fear that Korea may not be properly translating into action the memorandum of understanding on the market opening of its telecom market the United States is mounting pressure to further open the market and correct unfair trade practices.

The binational communications talks will be held March 25-29 in Washington at the American request to tackle the pending issues.

There have been serious complaints made to the U.S. Administration by a range of U.S. companies, the

Bureau of National Affairs (BNA), a U.S. trade bulletin, reported in its March 22 issue.

The request for a meeting comes shortly before the Office of the U.S. Trade Representative is to announce an annual assessment of whether U.S. trading partners are complying with telecommunications agreements, the Korea Trade-Investment Promotion Agency (KOTRA) revealed, quoting BNA report.

Failing to implement trade agreements, as cited by Section 1377, the U.S. could launch a chain of actions which could culminate in a U.S. trade sanction, it reported.

U.S. complaints center around allegedly discriminatory procurement practices, including sudden changes in specifications and forced technology transfers through methods such as requiring submission of plant blueprints, the BNA said quoting relevant U.S. officials.

In addition, U.S. firms have complained about the requirements of Korean firms to purchase only Korean-made equipment.

U.S. companies doing business in Korea also face the problems of inadequate protection for trade secrets, the KOTRA's Washington office reported.

"Previous attempts to sell secrets of U.S. firms to private Korean telecom equipment providers have led the U.S. Government to declare lack of compliance. Section 1377 of 1992 accord, however, only covers public procurement thereby limiting the actions of the U.S. Government," said the BNA. It went on to state that U.S. officials have expressed concern that the 1992 agreement is not working smoothly. Although past problems have been ironed out, they tended to be company-specific problems rather than adjustments to systematic market access obstacles.

U.S. firms are worried that the complaints about Korean practices will invite retribution and jeopardize future chances of winning contracts in Korea. At the same time, American companies are reluctant to make their market access problems known to their American competitors, the BNA added.

In February, the USTR received letters from two industry associations, the American Electronics Association and the Telecommunications Industry Association, citing market access problems in Korea as the top international concern from telecom equipment manufacturers.

ROK Dally Views Kong No-myong Role in U.S.-PRC Ties

SK2403132296 Seoul SEOUL SINMUN in Korean
23 Mar 96 p 3

[Editorial: "Kong No-myong's Diplomacy To Bridge the Split Between the United States and China"]

[FBIS Translated Text] ROK Foreign Minister Kong No-myong has been visiting China and will go on to visit the United States. This time, his diplomatic activities are noteworthy because of their timing and his role.

First of all, he arrived in China at a very sensitive time because of the Taiwan situation and when China and the United States were confronting each other militarily. Kong reiterated the ROK Government's position that it supports the "one China" principle. He also expressed our "hope" that the cross-strait relations situation will be resolved peacefully.

The ROK diplomacy faces a very important dilemma in connection with the Taiwan Strait issue, which has given rise to conflicts between China and the United States. This is because, if the situation worsens, the ROK would be compelled to make a difficult choice between China and the United States. This would bring about significant trials to the ROK with regard to its diplomacy. At such a time, Minister Kong has assumed the role of messenger tasked with removing the misunderstanding and conflicts between China and the United States.

We think it is an appropriate mission for him. We also affirmatively assess his mission because it is a positive diplomatic role. The ROK had, to some extent, shied away from active diplomatic activities and felt comfortable with such diplomacy.

However, when he held talks with Chinese Foreign Minister Qian Qichen on 20 March and paid a courtesy call on Chinese President Jiang Zemin on 22 March, Minister Kong asked China to play a more positive mediating role to mend the frozen North-South relations. And, President Jiang reportedly gave Minister Kong an affirmative reply, stating that peace and stability on the Korean peninsula is directly related to the Chinese interests.

China occupies a very important place with regard to not only stability on the Korean peninsula but Korea's reunification. China's understanding and cooperation are absolutely necessary for reunification on the Korean peninsula. A peaceful reunification process is almost unthinkable if we have hostile relations with China. China's role is also important in opening up North Korea.

In this respect, the latest round of diplomacy by Foreign Minister Kong must be viewed as an appropriate action taken at an appropriate time.

ROK: U.S. Report Suggests DPRK Collapse 'Has Already Begun'

SE2503052696 Seoul CHOSON ILBO in Korean
25 Mar 96 p 1

[Report by Kyong Yong-won]

[FBIS Translated Text] It has been learned that U.S. Forces in Korea have recently prepared a scenario on a seven-stage collapse of the North Korean system, and submitted it to the U.S. Defense Department, including Secretary Perry, and to high-ranking officials in the White House.

This is the first time for U.S. Forces in Korea to prepare a scenario on North Korea's collapse covering stages from the exhaustion of resources to the reorganization of power. It was learned that the U.S. Forces in Korea assessed that presently North Korea is in between "the stage of discriminative supply of resources" and "the stage of working out regional self-help measures" and the third stage of the collapse scenario has already begun.

Such an assessment shows that the U.S. Government regards the issue of North Korea's collapse as "a realistic probability," not merely a "hypothetical situation," thus attracting attention.

A high-ranking official of the U.S. Forces in Korea stated that "U.S. Forces in Korea prepared a report last month on a scenario concerning seven stages through which North Korea will pass as it collapses, and submitted the report to relevant high-ranking U.S. Government officials with active support by Gary Luck, commander of the U.S. Forces in Korea and other high-ranking officials." The official added that "this report was also sent to core officials of the ROK Armed Forces, including Defense Minister Yi Yang-ho and Chairman of the Joint Chiefs of Staff Kim Tong-chin."

It is likely that based on this scenario, the U.S. Forces in Korea will begin to work out countermeasures to cope with each stage of a North Korean collapse.

The report, titled "Models of the Collapse of North Korea's Substructure," predicts that North Korea's collapse, when the possibility of war is excluded, will begin from a stage of exhaustion of resources, including food shortages (1), and go through a stage of discriminative supply of resources to selected subjects (2); a stage of local independence to work out self-help measures following the emergence of a severe economic threat (3); a stage of repression by the central government (4); a

stage of internal resistance (5); a stage of rupture accompanied by violence (6); and a stage of power reorganization (7). In particular, the report observed that North Korea is presently in between the second and third stages of collapse, thus indicating that the early stages of North Korea's collapse have already begun.

Concerning this, a high-ranking official in the Ministry of National Defense said: This scenario contains the process of North Korea's collapse which can be presumed in general. However, it makes a concrete and practical approach, not the armchair theoretician's approach. Therefore, it has won sympathy from relevant high-ranking U.S. Government officials including the commander of the U.S. Forces in Korea. Thus, it is of great significance.

ROK: U.S. Report on DPRK Chemical, Biological Weapons Cited

SE2403234496 Seoul KBS-1 Radio Network
in Korean 2210 GMT 24 Mar 96

[Report by Tokyo-based correspondent Yi Il-hwa]

[FBIS Translated Text] The U.S. Defense Department Information Office has recently stated that North Korea is preparing for chemical war. According to a report by Japan's JUI PRESS from Washington, this was revealed by a report on North Korea's military capacity prepared by the U.S. Defense Department Information Office in late 1995.

The report titled "The Basic North Korean Military Capacity" noted North Korea possesses facilities for preserving chemicals that can be used as weapons, such as nerve gas, and can attack the ROK using chemical weapons. The report also said the North Korean Army conducts defensive training regularly to protect itself from chemical weapons in case of chemical war. According to the report, North Korea possesses scientists and facilities for the culture of microorganisms and is capable of producing biological weapons by using germs that cause contagious diseases.

ROK: Reported U.S. Proposal for Apr MIA Talks With DPRK Viewed

SE2303025896 Seoul CHOSON ILBO in Korean
23 Mar 96 p 2

[Report by Yu Yong-won]

[FBIS Translated Text] The United States has reportedly proposed to North Korea that talks be held in New York for five days beginning 22 April to discuss return of the remains of missing-in-action (MIA) U.S. soldiers who fought in the Korean war. This message was recently

conveyed through the North Korean mission to the United Nations and through Panmunjom.

A high-ranking ROK Government source stated on 22 March: "Earlier this month the U.S. State Department sent a message to North Korea through the North Korean mission to the United Nations proposing negotiations in New York from 22 to 26 April on returning the remains. On 20 March the United States made the same proposal at the meeting between Colonel Oms [name as transliterated], chief secretary of the Armistice Commission, and North Korea's Senior Colonel Pak Im-su held in Panmunjom."

The source added: "The U.S. proposal was in response to North Korea's proposal made in mid-February to hold negotiations on returning the remains in Panmunjom. The message was also conveyed through the North Korean mission to the United Nations." The source stated: "North Korea has yet to respond to the U.S. proposal, but is very likely to accept it." If the U.S. proposal is accepted, the meeting will be the second of its kind following the military contacts between the United States and North Korea in Hawaii in January. Such moves are noteworthy in connection with recent active contacts between the United States and North Korea — including the visit to North Korea by Spencer Richardson, who has been designated the head of a U.S. liaison office in Pyongyang — and the scheduled U.S.-North Korea missile talks.

ROK: Coca-Cola To Complete Pyongyang Factory 'Soon'

SK2303053996 Seoul YONHAP in English
0518 GMT 23 Mar 96

[FBIS Transcribed Text] Yanji, Jilin Province, March 23 (YONHAP) — U.S. beverage giant Coca-Cola will reportedly complete construction of its factory in the North Korean capital of Pyongyang soon.

In an interview with YONHAP news agency Saturday, ethnic Korean businessman Yi Un-chol, general manager of Yanbian Shipping Group Xiantong in the Yanbian Korean autonomous prefecture, disclosed that Coca-Cola will complete the factory with an annual production capacity of 30,000 tons of cola within a few months. Xiantong is the largest investor in the North's Najin-Sonbong free trade zone.

The construction work has been delayed a little for reasons of United States policy towards the North, Yi said. He added that the North Korean authorities believe that American businesses will take the completion of the Coca-Cola plant as an opportunity to go all out to penetrate the North Korean market.

He noted that the Pyongyang government is almost to the point of allowing foreign companies, including ones from South Korea, to have offices in Pyongyang as well as the Najin-Sonbong area.

Coca-Cola is the first American company of the 11 that visited Pyongyang to pursue investment opportunities last spring to build a factory in the North, in accordance with the framework agreement reached in October 1994 between North Korea and the United States.

ROK: Coca-Cola Denies Report on Factory in Pyongyang

SK2503063896 Seoul YONHAP in English
0616 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — Coca-Cola denied Monday a recent report that the U.S. beverage giant will complete a factory in the North Korean capital of Pyongyang within a few months.

The American company said that it is presently not building and has no plans to build a factory in the socialist country.

Coca-Cola asserted that it is observing Washington's North Korea policy, which bans American companies from doing business there.

Yi Un-chol, a Korean-Chinese general manager of Yanbian shipping group Xiantong in the Yanbian Korean Autonomous Prefecture, told a YONHAP correspondent in Yanbian that Coca-Cola is building a plant in the suburbs of Pyongyang in accordance with an agreement with the North's Committee for the Promotion of External Economic Cooperation.

ROK's Kim Yong-sam: ROK 'Fully' Ready for Any 'Danger'

SK2503053896 Seoul YONHAP in English
0522 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — President Kim Yong-sam said Monday that South Korea is the only country that can help alleviate the present economic difficulties facing North Korea.

Voicing concerns about the North's escalation of military tension and continued slander against the South, Kim said, "North Korea must realize that there is no other country but its South Korean brethren to help relieve its present economic difficulties."

Kim made the remarks during a Chongwadae [presidential offices] luncheon he hosted for a group of 25 national unification affairs advisors including the group's leader Min Kwan-shik.

He warned against "indiscreetness, sentimentalism and easy-going way of thinking" in discussing the issue of national unification, citing the North's forward deployment of 1.1 million troops and their "blind loyalty" to its de facto leader Kim Chong-il.

"The government will continue to pursue its policy for peaceful unification," he said, asserting, "it is fully prepared to swiftly and completely cope with any sudden danger."

Referring to the severe food and energy shortages of North Korea, Kim said that, "Such hardships have resulted from the structural contradictions in communism itself and military preparedness-first policies."

ROK: Kim Yong-sam on DPRK Military, Economic Situation

SK2303030296 Seoul THE KOREA HERALD in English 23 Mar 96 p 2

[FBIS Transcribed Text] President Kim Yong-sam hardly spends a day without talking about North Korea these days.

Presidential aides say that it reflects Kim's concerns about the economic plight and unstable leadership there and their effect on security conditions on the Korean Peninsula.

Kim, lunching with a group of disabled and wounded veterans at Chongwadae yesterday, also devoted his talk to North Korea and security issues.

The President, while reminding his guests of what he said is a "perfect" military cooperation and coordination between South Korean and U.S. forces, urged South Koreans to maintain due security consciousness.

"Not a single expert on Korean affairs sees hope in the North," Kim said.

The President talked at length about the latest North Korean military movement and food and energy shortages.

He said that the North has deployed 115 MIG-17 and MIG-19 combat aircraft on three runways near the Demilitarized Zone, which can fly to Seoul in six minutes.

"But we don't have to worry about it because we have been watching them very closely," Kim said.

In an apparent gesture to convince the veterans of the South Korea-U.S. intelligence capability, the President said that no more than five aircraft come on the runways each day.

"The others are in underground hangars," he said.

Kim also said that because of food shortages, skipping meals has become a way of life in North Korea.

The North lacks energy as well, Kim said, citing the case of the Kimchaek Steel Mill, which he said is the largest one in North Korea.

"It operated only 30 percent of its capacity last year, only to shut down completely this year," he said.

Besides a conventional long-range missile plant, almost every plant in North Korea was halted because of energy shortage problems.

"Our people should hold a fair grasp of these situations," Kim said.

He said that his primary concern as President has been to prevent war and maintain peace on the Korean Peninsula.

"Communists never keep their promises," Kim said, referring to last year's rice aid talks in Beijing where he said the North promised to stop its slandering campaign against the South.

The North is making more than 100 anti-South broadcasts every day, urging South Koreans to topple the government, Kim said.

ROK: DPRK 'Preparing' SPA Election for Kim Chong-il Takeover

SK2403022196 (Internet) The Chungang Ilbo WWW in English 24 Mar 96

[FBIS Transcribed Text] A high-ranking [ROK] government official stated on the 23rd that North Korea appears to be preparing to hold an election in order to form a new Supreme People's Council (National Assembly) [Supreme People's Assembly, SPA] in September before Kim Chong-il officially takes over the reins of power.

The official, quoting a source who recently returned from a visit to China, said "Kim Chong-il is likely to take over the post of president or party secretary after the 10th Supreme People's Council members are elected through the September elections." The official also stated that [the] projection is based on the recent signs that Pyongyang is preparing for an election including its check on the number of voters.

ROK: DPRK 'Stagnant' Steel Industry, Energy Shortages Noted

SK2303064296 Seoul YONHAP in English 0552 GMT 23 Mar 96

[FBIS Transcribed Text] Seoul, March 23 (YONHAP) — Kimchaek Steel Mill, North Korea's largest steel

maker, has recently suspended operation, the National Unification Ministry (MNU) disclosed Saturday.

Iron, steel and other metals constituted 70 to 80 percent of North Korean products brought into the South in the past, but the actual import of these products last month declined sharply to 4.39 million U.S. dollars from the 14 million dollars recorded during the same month last year, according to the ministry's report on inter-Korean trade for February.

"Almost no steel or zinc ingot has been brought into the country from the North recently. This reflects a stagnant steel industry and a serious energy shortage in the North," the report said.

Inter-Korean trade for February reached 10 million dollars on the government approval basis, down 31 percent from January and 60.3 percent from February last year.

Trade registered 13 million dollars on a customs clearance basis, down 30.6 percent from February last year.

ROK: MNU Says DPRK Economy Shrank 6 Percent in 1995

SK2303034996 Seoul THE KOREA TIMES in English
23 Mar 96 p 2

[FBIS Transcribed Text] North Korea's economy shrunk by more than 6 percent last year, a sharp drop apparently caused by unprecedented floods and the failure of the socialist economic system, the Ministry of National Unification said yesterday.

In a report on North Korea's economy in the latter half of last year, the ministry said that North Korea is unlikely to get out of its economic debacle without emergency help from the outside world.

North Korea's economy has diminished by 4.5 percent on average from 1990 to 1994, but last year showed the worst negative growth due to the floods that hit the North's industrial facilities as well as grain fields.

"For the first time since the Korean War, North Korea failed to announce its budget bill in 1995, which proves the North Korean leadership's difficulties in managing its planned economy," a ministry official told reporters.

Meanwhile, the North's light industrial sector, including the textile industry, has been relatively brisk, apparently stimulated by an increase in trade with Japan and South Korea.

Imports of the North's textile goods by Japan, which emerged as the North's largest trade partner, increased by 33.6 percent, while the production on commission between South and North Korea increased by 22.2

percent, the ministry said. Until 1994, China was the North's largest trade partner.

However, the considerable decrease in trade with China, Russia, and other countries made the trade growth rate flat, the ministry said.

The total volume of the North's overseas trade recorded 1.13 billion dollars during the latter half of last year, while last year's total trade volume reached 2.06 billion dollars, a slight drop from 2.11 billion dollars in 1994.

"The North's steady drop in exports and increase in imports have kept its trade accounts in the red. Last year, North Korea recorded a trade deficit of 880 million dollars," the official said.

Currently, South Korea is the North's third largest trade partner with the total volume of inter-Korean trade reaching 290 million dollars last year.

ROK: Global Organization Plans Agricultural Aid to DPRK

SK2403040396 Seoul TONG-A ILBO in Korean
24 Mar 96 p 2

[FBIS Translated Text] To help North Korea's structural food shortage, World Vision Society has decided to provide the North with agricultural materials, including rice seed and hothouse materials.

An official of World Vision Society said on 23 March: "When World Vision Society's Vice President Rusker [name as transliterated] visited North Korea in mid-February, North Korean officials requested such assistance. Therefore, the World Vision Society decided to help North Korea."

ROK: DPRK 'Food Self-Sufficiency Rate' at 'Only 41.5 Percent'

SK2403023096 Seoul THE KOREA TIMES in English
24 Mar 96 p 8

[FBIS Transcribed Text] North Korea's food self-sufficiency rate reached only 41.5 percent last year, causing the worst food crisis since 1984.

According to a recent study conducted by the Korea Rural Economic Institute (KREI), the total food demand for North Korea last year was 6.224 million tons. The production amount stood at only 2.583 million tons, recording a 41.5 percent food self-sufficiency rate.

This is the second time the North's food self-sufficiency rate has dropped below 50 percent. The first time was in 1993 when the rate dropped to 48.2 percent due to record cold weather.

The KREI said that the North has been suffering from a shortage of food grains ever since 1984 when it marked a record low of 105.6 percent with the production of 5.60 million tons. Food grain shortages hit an all-time high last year of 3.639 million tons when a severe flood caused severe damage in most areas of the North, reported the KREI.

North Korea's food crisis began to grow in the 1990s with food grain shortages reaching 1.335 and 1.996 million tons in 1991 and 1992, respectively. The shortage grew to 3.142 million tons in 1993 and 2.388 million tons in 1994.

In terms of food self-sufficiency rates, the rate was 83.6 percent in 1990 and 76.8 percent in 1991. The rate further decreased to 66.1 and 48.2 percent in 1992 and 1993. In 1994 it reached 61.2 percent. Among food grains, the greatest decrease was in the production of rice with a harvest of only 761,000 tons in 1995.

ROK: IFRC Delivers ROK Flood Relief Goods to DPRK

SK2503111196 Seoul YONHAP in English
1100 GMT 25 Mar 96

(FBIS Transcribed Text) Seoul, March 25 (YONHAP) — The instant noodles and other flood relief goods which the Korean National Red Cross furnished to North Korea last month have been distributed to residents in 13 flood-stricken cities and counties of the North recently, it was learned here Monday.

Officials at the National Unification Ministry (MNU) and Red Cross said Monday the International Federation of Red Cross and Red Crescent (IFRC) had informed the Korean National Red Cross of the field distribution of the relief goods.

South Korea's relief goods have been furnished through IFRC as North Korea refuses to receive them directly from the South.

The areas the South Korean relief items were distributed included Sinuiju, Pakchon and Chongju of North Pyongan Province; Hachon, Koping and Tongjin of Chagang Province; Unpa, Inna, Sinpyong and Singye of North Hwanghae Province; Pakchon of South Hwanghae Province; and Ichon and Chorwon of Kangwon Province.

Last month's shipment comprised 100,000 packs of instant noodles, 20,000 pairs of socks and 10,000 blankets.

In particular, packs of South Korean-made instant noodles were handed out to flood victims with their Korean-letter labels on, the officials said.

This was the first time goods produced in South Korea were distributed in the North with their Korean labels on, the officials said.

They said the bags of the 150,000-ton rice provided to the North last year carried no markings at all and the "choco pies" exported to the North earlier had English-language labels only like other export items.

The Red Cross plans to provide the fourth shipment of relief goods worth about 400 million won to the North next month through IFRC as North Korea, which had earlier turned down any further Red Cross assistance, expressed the willingness last month to accept Red Cross relief goods.

Saying that the North asked IFRC specially for soybean oil, one of the officials stated his Red Cross was contacting edible oil producers in the country to sound out the availability of soybean oil for shipment to the North.

ROK: ACDPU Booklet Cited on DPRK 'Present Situation'

SK2503081596 Seoul SEOUL SINMUN in Korean
19 Mar 96 p 21

[Article by reporter Yi To-un: "Today's North Korea Based on Statistical Data"]

[FBIS Translated Excerpt] The Advisory Council for Democratic and Peaceful Unification [ACDPU] released a booklet entitled "Today's North Korea," which shows North Korea's present situation in different fields. The gist of the booklet is as follows:

Food Situation

North Korea's annual food demand is 6.5 million tonnes to 6.7 million tonnes. However, its food production output was 4.82 million tonnes in 1990; 4.49 million tonnes in 1991; 4.27 million tonnes in 1992; and 3.88 million tonnes in 1993. Thus, the production output has decreased gradually, and this decrease has caused North Korea to suffer a chronic food shortage.

The standard amount of food ration to residents varies according to their social position. Special soldiers (special commandos) and workers engaging in heavy work receive 800 grams per day; cadres working at party and government organizations and soldiers receive 700 grams per day; ordinary workers, office workers, and college students receive 600 grams; middle and high school students receive 500 grams; people's school children receive 400 grams; and jobless people, including dependents who do not work, receive 300 grams; and children, including nursery school children, receive 300 grams to 100 grams.

Party and government cadres receive pure rice. In case of the food ration for special soldiers, the ratio of rice and non-rice cereals is 7 to 3. The ratio of rice and non-rice cereals for other people is 2 to 8.

People used to receive 13 days' food ration on the 15th day every month with the ration cards issued by the organizations to which they belong. Two days' food ration is deducted for "food reserved for use in emergency." In addition to this, 10 percent of 13 days' food ration is deducted again in the name of "grain for conservation."

Military Strength

North Korea's regular Army amounts to 1,040,000 and its reserved Army totals 6,617,000, which are 1.6 times more respectively as compared to those of our country. Of course, our basic economic foundation, including GNP (17.8 to 1), far exceeds that of North Korea. Our military expenditures last year amounted to \$13 billion while those of North Korea reached \$54 billion.

Chemical Weapons

North Korea has independently developed such chemical weapons as nerve gas, foam gas, and suffocative gas since the sixties. At present, North Korea has eight chemical weapon production facilities. They are located in eight different areas, including Sinuiju and Manpo. North Korea also has three chemical weapon research institutes. One of these research institutes is located in Hungnam. Repositories for chemical weapons are located in six different areas, including Sariwon.

North Korea has developed various means for launching chemical weapons. They are mortar, field artillery, missile, aircraft, and mine. Particularly, North Korea has developed capabilities to drop chemical weapons using the AN-23 and IL-28 aircraft and using fighters and bombers.

Jergons Used Among North Korean Residents
(passage omitted on examples of jergons used among residents)

ROK: DPRK WPK International Department Head Profiled

SE2503073696 Seoul HANGUK ILBO in Korean
25 Mar 96 p 13

[Article by Min Pyong-yong, researcher in the Unification Issue Research Institute: "Hyon Chun-kuk, director, International Department of the Workers Party of Korea, WPK"]

[FRBS Translated Text] If North Korea is to designate the establishment of diplomatic relations with the United

States and Japan as its top-priority task, its next goal would be to broaden the scope of economic cooperation with Southeast Asian nations. Hyon Chun-kuk, (71), director of the WPK International Department, is now visiting Cambodia. Hyon is known to be an expert in Chinese and Asian affairs. He came to Panmunjom eight times as a member of a working-level delegation of the North Korean side to talks between prime ministers of North and South Korea. Thus, he is very familiar to the South Korean people.

He is presently a member of the WPK Central Committee and a deputy to the Supreme People's Assembly. He ranks 37th in North Korea's power hierarchy. He traversed a colorful road as a journalist, diplomat, and expert in North-South relations. He competed with Kim Yong-sun, party secretary in charge of South Korean affairs, for promotion while working together in the International Department of the party for a long time, thus becoming the subject of talk by the people. His recent major activities have included meeting with party delegations from foreign countries.

While serving as DPRK ambassador to the PRC from 1966 to 1977, he smoothly advanced relations between the two countries and for this he has been known as a forerunner in the pro-Chinese faction. With his outstanding writing ability and fluent tongue, he is an essential figure in formulating the party's propaganda-related policies.

Born in Tanchon, South Hamgyong Province in 1925, Hyon Chun-kuk graduated from Mangyongdae Revolutionary Academy and studied at Moscow University. He began his party career as section chief in the WPK's Propaganda Department in 1954. Since then, he has worked as senior editor and associate editor-in-chief of NODONG SINMUN; as vice chairman of the DPRK Journalists Union; and as president of Nodong Publishing House. After this, he served as DPRK ambassador to China for over 10 years. Returning home, he was appointed vice chairman of the External Liaison Committee. In 1986, he was nominated director of the International Department of the party. He also served as senior editor-in-chief of NODONG SINMUN and, simultaneously, as chairman of the journalists union. He twice accompanied Kim Il-sung on visits to China, and toured Japan, India and Thailand.

He emphasized that "socialist economic construction is being carried out satisfactorily. Self-support is our basic policy, and our economy is not export-oriented. Since we have introduced a market economy system into Tumen River free trade zone and the like, we are hoping for active economic activities."

ROK: Anti-DPRK 'Conspiracies' Uncovered in PRC

SK2503081196 Seoul YONHAP in English
0757 GMT 25 Mar 96

[FBIS Transcribed Text] Yanji, China, March 25 (YONHAP) — The North Korean authorities cracked down on a couple of suspiciously anti-government conspiracies and a student demonstration in the northeastern port city of Chongjin between October-December last year, reliable sources here said Monday.

The sources who have a close relationship with senior North Korean officials said that the first instance of an anti-government plot, reported in October, involved a considerable number of general-grade officers, including one in charge of political training and education, from the 6th Corps.

Most of those implicated were arrested, although a two-star general and a vice chairman of the North Hamgyong Provincial People's Committee fled to China, according to the sources.

The sources, however, took note of the possibility that the incident might have been part of the aftermath of a months-long investigation into a corruption case involving the unit.

They also said that they had been told of rumors circulating in North Korea that an incident was uncovered in November in which the "June 4 Group," a powerful organization which controls operations in virtually all official sectors — the military, prosecution, court, police, social security and trade — was involved.

All of those implicated were arrested, but details were not known, the sources said.

Last December, more than 300 college students staged a demonstration in Chongjin, demanding a crackdown on corruption and irregularities. All of the students and members of their families were arrested and severely punished, according to the sources.

North Korea sealed the city off for quite a while to prevent the movement from spreading to other regions, the sources said.

ROK: PRC Ambassador to ROK Discusses Taiwan Issue

SK2403055096 Seoul TONG-A ILBO in Korean
24 Mar 96 p 25

[Interview with Zhang Tingyan, PRC ambassador to the ROK, by Yi Kwang-kyun on 22 March; place not given; first three paragraphs are editorial introduction]

[FBIS Translated Text] "The PRC's military exercise is not aimed at Taiwan but is simply one of our normal exercises."

In an interview with TONG-A ILBO on 22 March in which the increased tension in the Taiwan Strait due to the PRC's military exercises was discussed, Zhang Tingyan (60), PRC ambassador to the ROK, denied the possibility of armed conflict.

Ambassador Zhang, who was appointed as the first PRC ambassador to the ROK in 1992, is an expert on Korean affairs. He also served as a diplomat in Pyongyang for 14 years.

[Yi Kwang-kyun] Isn't the exercise intended to block Taiwan's desire for independence?

[Zhang Tingyan] The purpose of this exercise is to enhance the PRC military's defense and operational capability, and defend the PRC's sovereignty and territory. It has nothing to do with Taiwan's elections. However, if the one who is elected in Taiwan tries to legalize independence for Taiwan, there will be an unfortunate result. This is because Taiwan is a part of PRC territory.

[Yi] The PRC is emerging as a new big power. There is much worry about the PRC's pursuit of supremacy...

[Zhang] That is nothing but apprehension by neighboring countries, including the United States. The PRC is not pursuing supremacy. The PRC's policy is to solve all conflicts in a peaceful way.

[Yi] Is there a possibility of the use of arms against Taiwan?

[Zhang] There is no change in the PRC's principle of peaceful unification and one country-two systems, but the PRC has not promised that it will not use force. If Taiwan declares independence or if a foreign force invades Taiwan, the PRC Government will mobilize all necessary means.

[Yi] The PRC is denouncing moves by the United States...

[Zhang] The Taiwanese issue is an internal issue of the PRC. No country must interfere. Even since the establishment of PRC-U.S. diplomatic relations, the United

States has been supporting Taiwan, instigating Taiwan's independence, and selling American weapons to Taiwan. Thus, the so-called Taiwan issue has resulted. If the United States supports Taiwan's independence, a dangerous result may be brought about.

[Yi] Won't this tense situation negatively affect the PRC's economy?

[Zhang] Not by any means. The PRC's reform and open policies have brought about many results, and we will continue to focus on reform and opening in the future as well.

ROK Ministry Official Views Taiwan Elections, Tension

SK2503053796 Seoul YONHAP in English
0454 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — South Korea hopes the outcome of Taiwan's presidential election Saturday will help contribute to a peaceful settlement of the ongoing tensions across the Taiwan Strait, a Foreign Ministry official said.

The government will continue to maintain its principle of a one-China policy while pursuing unofficial working relations with Taiwan, he declared.

Seoul severed official ties with Taipei in 1992 to establish full diplomatic relations with Beijing in the same year.

South Korea and Taiwan, however, still maintain unofficial representative offices in each other's capitals.

ROK: MNU Minister, Russian Envoy Inaugurate Culture Council

SK2503131496 Seoul YONHAP in English
1238 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — The Korea-Russia Culture Council was formally inaugurated Monday evening, with Deputy Prime Minister and National Unification Minister Kwon O-ki and Russian Ambassador to Seoul George F. Kunadze among those on hand in the inaugural reception at the Lotte Hotel in downtown Seoul.

"It is important for Koreans to know that Russia is one of the greatest countries in the world," Ambassador Kunadze stressed. "Problems are temporary; Russia is forever."

Both Kunadze and Choe Hong-sun, chairman of the Korea-Russia Foundation, which is in charge of the newly-launched council, made congratulatory remarks on the council's launch, stressing the need for enhanced

cultural understanding and exchanges between South Korea and Russia.

Seoul and Moscow established diplomatic ties in 1992.

The council was formerly known as the East-West Cultural Center, which was established in 1991 in Seoul to develop ties between related Korean organizations and St. Petersburg State Conservatory of Music (SPCM).

At the end of 1992, the center opened a branch office in St. Petersburg and signed an agreement on setting up a SPCM branch in South Korea.

The council's primary purpose will be to disseminate Russian Cultural Information throughout South Korea. It will also arrange Russian cultural events here and vice versa, organize exchanges of cultural groups, and assist art and cultural specialists of both nations.

Because ties between the two nations are only a few years old, neither culture knows much about each other, foundation President Choe said.

He added that though exchanges will initially be primarily in music, other types of cultural cooperation, including the promotion of the Russian language, would materialize with time.

"Similarities and differences between the two cultures are not easily recognizable," said Choe. "But both Koreans and Russians are able to fully express their innermost feelings."

Kunadze said, "Both peoples have a very deep respect for their past and their traditions — this is what makes them strong and what they are."

ROK: Korean Air, Asiana To Increase Guam, Saipan Flights

SK2303042996 Seoul THE KOREA TIMES in English
23 Mar 96 p 3

[FBIS Transcribed Text] Korean Airlines and Asiana Airlines will increase the number of regular flights to Guam and Saipan starting from next month. There are emerging signs of a price war to attract more passengers to these popular tourist destinations.

According to industry watchers yesterday, KAL will add four new Seoul-Guam flights to its present daily flights to both destinations. Also flying to both destinations daily, Asiana will add two flights to Saipan.

KAL will be offering special rates for groups of 10 or more tourists flying round trip on its Seoul-Guam route, lowering its present rate of 200,000 won to 160,000 won per person. KAL's current flights leave Seoul daily at

9 a.m. and return at 6 p.m., while the new flights will leave at the same time but return at 7 p.m.

Meanwhile, Asiana will resume its twice a week schedule on the Kwangju-Saipan route on Wednesdays and Sundays.

ROK Article Discusses Sea Power, Need for Stronger Navy

**SI2303043196 Seoul THE KOREA HERALD
in English 23 Mar 96 p 3**

[Article by staff reporter Yi Sung-yol: "Is South Korea Ready To Have an Aircraft Carrier"]

[FRIS Transcribed Text] After all, Russia didn't want to sell the retired aircraft carriers, Minsk and Novorossiysk, to the United States, Japan, China, India or other countries, which either already possess, or are capable of producing one.

That's because the Russians were concerned that those countries might dissect and analyze the carriers to obtain some Russian military secrets, according to military and defense industry sources in Seoul.

The Russians rightfully assumed that South Korea had neither the intention nor capability to have an aircraft carrier. That is well demonstrated in the indifference the South Korean Government and the military showed when Young Enterprise was trying to purchase the decommissioned carriers and then was at a loss to find a place to dismantle them.

But the problem is that South Korea and its leaders lack a strategic concept of sea power, much less knowledge in aircraft carriers.

"It's understandable to some extent, as during the past decades the national goal was centered on economic growth," said a Navy commander.

He explained, however, that as it takes time and money to have a strong military, especially a good navy, national leaders at least should have a mind and a blueprint about it before it's too late.

"It takes about 15 years for the nation to have, for example, a small aircraft carrier, and we should think about what will happen to us 15 years later," said the commander, who demanded anonymity.

At that time, the sea lanes would be even more vital to Korea's economy, while neighboring nations are expected to have stronger naval power, he predicted. "We cannot depend on other nations for the defense of the vital sea lanes and the vast sea out there," he said.

China has vigorously strengthened its naval power in recent years, pouring about 30 percent of its defense

budget to its navy. Under a 10-year plan which starts this year, China seeks to build two 45,000-ton aircraft carriers by the year 2005.

The ongoing tension at the Taiwan Strait may prompt arms buildup among Asian nations, "because you cannot talk about national stability without looking across your borders," as the Navy commander put it.

Japan, which used to have aircraft carriers during World War II, has been strengthening its blue-water operational capability. It has two 7,200-ton Congo-class Aegis destroyers and is to obtain another two by 1998.

Thailand has ordered two 15,000-ton vertical takeoff and landing (VTOL) aircraft carriers from Spain. Delivery of its first carrier is due in 1997 and the second in early next century.

Though there may be no possibility, or need, for South Korea to have a carrier in the near future, it would be interesting to see how much it costs to have and maintain one.

Take the U.S. aircraft carrier Carl Vinson for example. According to an officer at the U.S. Pacific Command, it would now cost \$3.8 billion to build the 95,000-ton nuclear-powered carrier. Its 80 aircraft are priced at more than \$4 billion in total. The expensive aircraft include E-2C Hawkeye, F-14 Tomcat, F/A-18 Hornet, A-6E Intruder and SH-60 Sea Hawk antisubmarine helicopters.

The U.S. navy officer also said it costs \$440 million each year to maintain and operate the carrier and its aircraft.

That's not all. Since a carrier doesn't move alone but in the formation of a battle group, you need an escort fleet, including a couple of cruisers, destroyers, submarines, etc.

South Korea's defense budget for 1995 was about \$13.9 billion, and that is hardly enough to build a carrier battle group like that of the Carl Vinson.

"Well, it may not be an important issue now whether we should have a carrier," said a defense industry source, but we can at least learn while dismantling Minsk and Novorossiysk, especially the design and special alloy used to build the carriers."

He said Japan once obtained the know-how for design and building of an aircraft carrier by dismantling British carriers before World War II.

"But it seems to me that the government and the military are not so much interested in Minsk or Novorossiysk," he said, adding that the government could make use of them in one way or another.

A Navy captain, however, said the two ships do not have much military value, as all of their weapon systems and radar have been destroyed. He added that South Korea would be faced with enormous pressure from some other nations when it is trying to use the decommissioned Russian carriers militarily, or when it tries to build a carrier of its own.

"Anyway, Minsk and Novorossiysk have given at least two lessons to us," said the captain. "One is that a nation should do well economically when it wants to have good armed forces. The other is that having good armed forces would be vital to us, and that would be more than just to protect the sea lanes."

Is that clear?

ROK: Kim Yong-sam Interviewed on Election,
NKP Successor

SEK509101096 Seoul MAEIL KYONGJE SINMUN
in Korean 22 Mar 96 pp 6, 7

["Special Interview" with ROK President Kim Yong-sam by Chang Tae-hwan and Yi Chong-kun, respectively the president and editor of MAEIL KYONGJE SINMUN, at Chongwadae, the presidential offices, on 19 March to mark the occasion of the 30th anniversary of MAEIL KYONGJE SINMUN]

[FBI Translated Excerpt] [MAEIL KYONGJE SINMUN] Mister President, you have always stressed "change and reform" and have stated that you will continue with the reform policies during the remainder of your term. What areas do you think need further efforts to achieve reform?

[Kim] We have successfully carried out reform through the real name financial and real name real estate systems, through the disclosure of the personal assets of government officials, and through legislation on political reform as well as education and military reform. The reform programs have been implemented and achieved thanks to the participation by and full support of the people.

Future reform programs will focus on the public welfare, whereas past reform programs were targeted toward key political, economic, and societal sectors. In the future, the reform program will seek an improved quality of life for the people. Steps will be announced one by one. [passage omitted on President Kim's impressions on his visit to Gandhi's tomb in India]

[MAEIL KYONGJE SINMUN] How many seats do you expect the ruling New Korea Party [NKP] will win in the upcoming general election? In your New Year's speech, you said you were willing to meet with

opposition leaders for a fair election. When do you plan to hold that meeting?

[Kim] It is very important that the ruling party wins enough seats and remains stable. The upcoming election will decide whether we secure the political force that is able to overcome the instability stemming from the reform of the international order and from the uncertainty of the North Korean situation, and whether we prepare for the 21st century with stability. [passage omitted on President Kim's further opinions on the general election]

[MAEIL KYONGJE SINMUN] When the general election is over, discussions about the next presidential election will be inevitable. Mister President, you mentioned a "surprisingly young and new figure" for the next presidential candidate. Do you still maintain that stance? What kind of qualifications and personality should the next candidate for presidency possess?

[Kim] There is time until the next presidential election, and the situation is in a flux, so it is still early to discuss the next presidential candidate. In theory, the next president should be capable of accomplishing in the early 21st century the historical mission of developing our country into a first-class nation that stands in the center of the world and of leading a reunified country into the new era.

To this end, the next president should possess high morality and a commitment to reform, a firm faith in national reunification, and a strong leadership to manage the process of reunification.

In addition, the next president should have the vision and the knowledge to build a first-class nation in the 21st century through globalization and through information, doing so by assembling national strength. [passage omitted on the financial status of the NKP; the eradication of money ties between political and business circles; preparations for the Third Asia Europe Meeting in 2000; OECD membership; deregulation; and investment in science development]

[MAEIL KYONGJE SINMUN] Many people agree we should prepare for the sudden collapse of North Korea. Some believe that inducing North Korea to accept gradual reunification is better than letting it collapse.

[Kim] North Korea is in a difficult situation in many aspects. Korean and foreign experts expect the collapse of North Korea will be inevitable if nothing is done to stop it. The government is studying various measures to cope with any contingency.

We have to remember that the internal difficulty in North Korea may lead to a surprise attack. The gov-

ernment will defend the safety of the country and the people through a close ROK-U.S. alliance.

[MAEIL KYONGJE SINMUN] ROK companies are having difficulty in doing business with North Korea because the government does not present clear guidelines. Do you intend to make information on North Korea broadly available to the general public with a view to increasing the psychological preparations for reunification?

[Kim] Economic exchanges between North and South Korea have gradually increased under the government's "measures to promote Inter-Korean economic cooperation." Last year, inter-Korean trade broke the \$300-million point, making our country the third largest trading partner with North Korea. More than 120 businessmen visited North Korea to discuss North-South economic cooperation.

Nevertheless, economic exchanges with North Korea made slow progress because of North Korea's isolation and its lack of an infrastructure. Not only ROK companies, but Western companies feel the same way.

Even if the companies wanted to invest in North Korea, the economy in the North is very unstable, and there are no systems essential for economic exchanges, such as an investment guarantee treaty.

Nevertheless, North Korea is refusing government-level dialogue between the North and South. Considering such a unique situation, it is desirable to pursue North-South economic cooperation with close cooperation between the government and private companies.

Information on North Korea is important not only for North-South economic cooperation, but also to prepare for reunification. The government will provide more information on North Korea through various mass media. [passage omitted on labor and education]

ROK Papers Urge Investigation of Kim Yong-sam Aide

SK2503/25996

[FBIS Report] The following is a compilation of editorials from ROK vernacular newspapers published on 24-25 March on the irregularities committed by Chang Hak-no, personal aide to ROK President Kim Yong-sam.

On 24 March, **CHUNGANG ILBO** carries a 700-word editorial entitled "Do Not Leave Suspicious in the Investigation of Mister Chang." The editorial begins by noting that the exposure of irregularities committed by President Kim's personal aide is creating ripples. It criticizes "the government and ruling party" for trying to

wrap up the incident quickly out of "an awareness of the upcoming general election." The editorial elaborates on many aspects that are still suspicious about the process of Chang Hak-no's investigation. Noting that this incident is "shocking," the editorial states an investigation must be conducted so that it reveals whom Chang Hak-no received money from and how much he received. The editorial states that up until now, no core elements have been revealed in the prosecution's investigation, thus, "If the prosecution plans to conclude the investigation at this stage, it will only amplify suspicions." In conclusion, the editorial urges the prosecution to conduct a thorough investigation because if it does not, "it will greatly damage the image of the civilian-ruled government and will be a burden to the ruling party's general election strategy."

On 24 March, **KYONGHYANG SINMUN** carries an 800-word editorial entitled "The Clean Government That Was Betrayed." The editorial starts off by deploring how such an incident could have happened in light of President Kim Yong-sam's resolute will to uproot irregularities and corruption. The editorial notes that the people probably felt "they have been betrayed because they had expectations about the government's morality." The editorial notes that the government must reflect on this, and President Kim must conduct a thorough investigation of his other close aides without fail.

On 25 March, **HANGYORE SINMUN** carries an 800-word editorial entitled "The Investigation of Mister Chang Hak-no, Which Is Mistrusted." The editorial starts off by saying "the people were greatly shocked" by Chang Hak-no's irregularities, and that "Chongwadae [presidential offices] and the ruling party have fallen under a grave atmosphere" because this incident was exposed when the general elections are right around the corner. The editorial urges Chongwadae to further investigate to see if irregularities have been carried out by other close aides of President Kim. It then elaborates on how "superficial" is the investigation currently being conducted on Chang Hak-no. The editorial continues to note that "the people's mistrust in the core power has amplified." In conclusion, it urges that a thorough investigation be conducted regarding the Chang Hak-no incident.

ROK: Trial of Officers Involved in 1979 Coup Reported

SK2503/31/96 Seoul YONHAP in English
1227 GMT 25 Mar 96

[FBIS Transcribed Text] Seoul, March 25 (YONHAP) — Yi Hak-pong and eight others arraigned for their involvement in the Dec. 12 and May 18 incidents were questioned by the prosecution at the third session of the

trial of former Presidents Chon Tu-hwan and his men on insurrection charges at the Seoul District Court Monday.

In the questioning, prosecutors tried to unveil that the Dec. 12, 1979 incident was a coup d'etat designed for Chon and his colleagues to seize the control of the armed forces.

Chang Se-tong, then commander of the 30th Security Group, conceded that Chon's team kept loyal generals from mobilizing troops in support of arrested Army Chief of Staff Gen. Chong Sung-hwa.

"I personally telephoned Central Intelligence Agency Director Yi Hui-song to ask him to exercise his influence in preventing the 9th Airborne Brigade from being mobilized against Maj. Gen. Chon Tu-hwan and his forces," Chang said.

Pak Chon-pyong, Army 20th Division Commander at that time, said that on the evening of Dec. 12 he saw 1st Corps commander Hwang Yong-ai and 9th Division Commander No Tao-u order the mobilization of some of their units in support of the Chon Tu-hwan forces.

Yi Hak-pong, Ho Sam-su and Ho Hwa-pyong, all staff officers of the Defense Security Command led by Chon at that time, asserted Gen. Chong Sung-hwa's arrest was unavoidable because he was under the suspicion of getting involved in the slain of President Pak Chong-hui.

In particular, Yi Hak-pong contended that whether or not there was an approval from the president cannot be a yardstick determining the unlawfulness of Gen. Chong Sung-hwa's arrest.

"I myself prepared a report on the need of Gen. Chong's arrest and forwarded it to Maj. Gen. Chon Tu-hwan," Yi said.

Pak Chong-kyu, then commander of the 15th Battalion, 3rd Airborne Brigade, said he arrested Special Warfare Commander Chong Pyong-chu at the order of 3rd Airborne Brigade Commander Choe Se-chang.

"In this course, Kim O-rang, chief secretary to the special warfare commander, was killed, which I regret," he said.

Capital Corps Commander Cha Kyu-hon said that after President Choe Kyu-ha refused to approve Chon Tu-hwan's plan to arrest Chong Sung-hwa on the ground of the absence of the defense minister, he, together with Chon, called on President Choe and told him that the president could sign an important military plan without the presence of the defense minister in emergency.

At the next trial session slated for April 1, the prosecution plans to question Chon Tu-hwan, No Tao-u and nine others on their part in the May 18 incident.

ROK Minister Hopes Financial Institutions Merge Voluntarily

SK2403091396 Seoul THE KOREA TIMES in English 24 Mar 96 p 9

(FBIS Transcribed Text) Deputy Premier-Finance and Economy Minister Na Ug-pae yesterday expressed the hope for a voluntary merger of local financial institutions.

In a meeting with 400 executives of banks, insurance, securities firms and other financial institutions at the Hotel Lotte, Na said he expects financial companies to seek mergers on a voluntary basis, adding that the government has already put in place institutional devices, including tax incentives and a simplified merger process, to assist in the marriage of financial firms.

He lamented that no Korean bank is ranked among the top 100 multinational banks in the world, and no local insurance firm is included among the top 50 insurance companies in the world. Except for Japanese banks, no Asian bank is placed among the top 10 big players in the world.

Na said Korea has the 11th largest economy in the world, with the 12th largest trade volume last year. It became necessary for Korean financial institutions to strengthen their international competitive edge through combinations, he added.

Na said financial firms have not yet shed their outdated volume-oriented managerial practices even in the face of accelerating financial market-opening and liberalization. The time has come for local banks to make efforts to reduce their "weight" through management rationalization.

"Competition to expand branch networks and deposit bases has become meaningless and costly. Banks need to shut down unprofitable branches and downsize branches. Bankers must question themselves on whether their organizational structure, including the number of employees and the decision-making process, is adequate in this age of unlimited competition," the minister said in a breakfast meeting hosted by the Korea Institute of Finance, the umbrella unit of the Korea Federation of Banks.

In the past when loan demand was excessive, the prime objective of banks was to increase deposits to the maximum extent. But now the time has come for banks and other financial institutions to put focus on efficient management of funds, Na said.

He said the government is reviewing the possibility of allowing banks, insurance firms and securities houses to expand each other's business territory on a medium and long-term basis. The government will seek ways

of helping non-bank financial institutions, including leasing firms, sharpen competitive edge, he said.

Burma

Burma: Statement Urges Thai Government Not To Deal With SLORC

BK2203/42596 (Internet) BurmaNet News in English
21 Mar 96

[Statement issued by the Central Committee of the All Burma Students League in New Delhi on 19 Mar]

[FBIS Transcribed Text] The situation inside Burma firmly proves that the ruling military regime which is also known as the SLORC [State Law and Order Restoration Council] has been oppressing the people since it took over the power in military coup in September, 1988. Since then all the public sectors have been strictly controlled and misused by the army officials.

In accordance with the official facts and figures, the SLORC regime was listed as the highest human rights violators in the world. In fact, on one hand, the regime is trying to legitimize its illegal role by perpetuating the so-called national convention which is said to draft the future constitution of Burma and on the other hand, the SLORC is using the might of arms and various kinds of Machiavellian techniques on the people of Burma so as to jeopardize the people's desire of restoring democratic system in Burma.

Though the Government of China and ASEAN countries, especially Thailand, are well aware of the great suffering of the people of Burma under the iron rule of SLORC military regime, they turned a blind eye and are hoboobing with the SLORC in order to gain their selfish interest. Regarding this we particularly would like to urge the Government of Thailand to review its adopted foreign policy on Burma whether it has benefited the majority of the population or fuelled the machinery of the oppressive military regime.

In fact, in the long term no government can go along with the policy of run with the hare and hunt with the hounds [sentence as received] because dictatorship is totally opposite to democratic system.

In conclusion, we would like to urge the Government of Thailand:

1) Not to oppress Burma's democratic activists in Thailand, until normalcy is returned in Burma, in order to gain return favour from SLORC.

2) Not to repatriate Burmese refugees in Thai-Burma border, but to provide humanitarian aid or allow the assistance extended by NGOs [nongovernmental organizations].

3) Not to fuel the SLORC killing machine by trading with the SLORC regime that is spending 30% of the

national income on military hardware being used for oppressing innocent civilians.

4) Not to concentrate on business interest alone but to view widely in the fields of regional security, peace and development of democratic and human rights.

5) Last but not least, if the Government of Thailand really wishes to preserve goodwill with Burma they should support the democratic struggle of Burma that is a burning desire of the people of Burma.

Burma: Rangoon Prepares Expansion of Border Trade With Thailand

BK2403/32996 Bangkok THAILAND TIMES
in English 24 Mar 96 p A1

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak: An ambitious development initiative is under way to prepare the Burmese border city of Myawaddy for a massive increase in cross-border trade, a Myawaddy Chamber of Commerce source said yesterday.

The State Law and Order Restoration Council (SLORC) in 1994 granted funds of three million baht for the local administration to extend Myawaddy northwards by three kilometers and to build a fully-integrated central market to accommodate the new trade, the source said.

The Rangoon government hopes the new projects will entice foreign industrialists to set up factories in the city as well as increasing import and export.

"A number of foreign businessmen had already expressed an interest in establishing operations in Myawaddy city, notably for paper and pulp, plastic and wood products," said the source.

However, human rights and pro-democracy groups worldwide have urged investors to stay away from Burma due to the brutality and oppression of the military regime.

The dictatorship, along with the people living in the region, are hoping for enormous economic benefits from the opening of the Thai-Burmese Friendship Bridge, between Myawaddy and Thailand's Tak province.

Last year, construction work on the bridge was halted and the existing Myawaddy-Mae Sot border crossing closed after a series of border disputes between the two countries.

The crossing reopened earlier this week, and both sides hope work on the Friendship Bridge can resume in the near future.

Trade in the new central market will include both industrial and agricultural products.

The market's opening was to coincide with that of the Friendship Bridge but due to the cessation of work the market opened first, in late 1995. Its official opening will take place early this year.

Burma: Karen National Union Urged To Review Cease-Fire Demands

BK2503064896 Bangkok THAILAND TIMES
in English 25 Mar 96 p A3

[Report by Atsawin Phaitwoang]

[FBIS Transcribed Text] Tak — Karen National Union (KNU) leader Gen Bo Mya yesterday summoned its peace negotiating committee, asking to review the minority group's five demands dismissed by Rangoon last month before the start of another round of talks with the regime in May.

Rangoon has accepted seven out of twelve KNU's proposals during peace talks with the ethnic rebel group in Rangoon and southern town of Moulmein last February 14-23.

The five demands to be revised include cease-fire nationwide, the KNU's seeking of assistance from foreign countries on education and health affairs after the return of KNU rebels to Burma, the permission to allow the United Nations to supervise the signing of peace accord between the two sides.

Two other demands are: the opening of political dialogue between the KNU and the government one month after the signing of the peace accord, and the KNU's control over the territory it used to belong to.

A source close to the KNU negotiating team said Burma has sent a letter to the minority group, urging it to hurriedly revise the unsettled five demands.

The source said the KNU team may work out for quick settlement as soon as possible, because communication would be more difficult when the rainy season starts. Otherwise talks would have to be delayed until next year.

He said Burma had wanted the peace negotiations to be completed this year.

Burma: Rangoon Troops Reportedly Defect to Karenal Forces

BK2203154396 Bangkok THAILAND TIMES
in English 22 Mar 96 p A3

[Unattributed Report]

[FBIS Transcribed Text] Tak — A party of Burmese soldiers abandoned their base and defected to the Karen National Progressive Party (KNPP), a Burmese student organization spokesman claimed yesterday.

According to a statement issued by the All Burma Student's Democratic Front (ABSDF), a platoon led by Corporal Maung Win from the State Law and Order Restoration Council (SLORC)'s 2nd battalion of 72nd Light Infantry Battalion defected to the KNPP last Friday, bringing with them a large number of weapons.

The Burmese troops said they mutinied because they were mistreated and given unreasonable orders by their commanding officers.

The defectors added that they set their base at Dawwi Moe on fire before deserting to join the insurgents.

According to ABSDF, many Burmese soldiers have abandoned their posts to join ethnic minority groups fighting for independence from Burma.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Kamil, U.S. Official Discuss Taiwan, Burma, Bosnia

BK2303112496 Kuala Lumpur THE STAR in English
23 Mar 96

[BERNAMA Report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia wants the United States to continue its dialogue with China for a peaceful and not a military solution to the current tension between the mainland and Taiwan.

Foreign Ministry Secretary-General Tan Sri Ahmad Kamil Jaafar said the matter was discussed with U.S. Undersecretary of State for Political Affairs Peter Tarnoff here yesterday.

"We are concerned because it is happening close to us. We see the importance of dialogues and it means that the U.S. must continue constructive engagement with China to ease tensions," he said after the one-hour meeting.

"While we support the one-China policy, Malaysia has always encouraged peaceful means to realise objectives," he said.

Ahmad Kamil said Turnoff explained that the United States was trying its best to ease the tension.

Turnoff is here on a official visit and will also visit Singapore, Indonesia and Hong Kong.

Ahmad Kamil and Turnoff also discussed issues concerning Myanmar (Burma) and Bosnia-Herzegovina.

"We asked the U.S. to look at Myanmar in the same way as we do. Any constructive dialogue will be useful in helping towards a process of change and economic development there."

"The U.S. shares a similar objective with us but our approach is different," he added.

On Bosnia-Herzegovina, Ahmad Kamil said Malaysia did not want the fragile peace there to collapse and stressed the need for the international community to contribute positively to the reconstruction and rehabilitation of Bosnia.

Malaysia Kuala Lumpur 'Prepared' To Train UN Peacekeepers

*BK2303111496 Kuala Lumpur THE STAR in English
23 Mar 96*

[Unattributed report — received via Internet]

[PBS Transcribed Text] Marang: Malaysia is prepared to set up a centre to train foreign soldiers for United Nations peacekeeping missions, said Defence Minister Derek Syed Hamid Albar.

He said with the country's experience and involvement in UN peacekeeping missions since the 1960's, the government was confident of its ability to train the soldiers.

He said he had directed the various military institutes to come up with special programmes for this purpose.

"We have set up a training institute in Port Dickson and a similar one will be set up in Paluda (Army Training Centre) in Johor," he said after visiting the proposed site for a military camp in Jenang.

Malaysia: New Australian Government's Foreign Policy Viewed

*BK2303090796 Kuala Lumpur THE STAR in English
23 Mar 96*

["Comment" column by V.K. Chis: "Dealing With New Aussie Government" — received via Internet]

[PBS Transcribed Text] The Australians seem to be reading a lot into the meeting between newly-elected Prime Minister John Howard and Derek Sri Dr. Ma-

habir Mohamed who makes a stopover in Brisbane later this month.

Dr. Mahabir is on his way to New Zealand for a four-day official visit and the discussion with Howard will therefore be rather brief. The Aussie leader requested for the meeting when he learnt of the stopover.

The prime minister will be the first foreign leader Howard will be meeting since his crushing victory over Paul Keating in last month's Aussie election.

There are many question marks over how Howard's Liberal coalition will deal with its Asian neighbours. Having been out of office for 13 years, the Liberals' foreign policies are practically unknown.

So much has happened in the long interval that many governments are wondering what is in store. All that they know is from their leaders' victory speeches and media statements.

The world has changed much since 1983 and it will be interesting to see if the Liberals have been up-to-date with their knowledge of the region, which has seen little of the opposition leaders in the past decade.

Though there have been several changes in the Liberal leadership since then, foreign policy remains a grey area for Howard and his team. For obvious reasons, they have been preoccupied with domestic problems.

Even Keating, who was in Bob Hawke's Cabinet since 1983 though he left briefly to mount a challenge for the leadership, had been lukewarm to ASEAN until he became prime minister just before the 1993 election.

Keating tried to make up for lost time during the last year in office, signing a security arrangement with Indonesia and making his first and last visit to Malaysia as prime minister before he was booted out.

Howard and his Foreign Minister Alexander Downer have made the appropriate noises about maintaining Canberra's links though they would try to get closer to Europe, their traditional roots.

What is disturbing to ASEAN is that Howard has said he would continue to keep to Australia's values in forging its foreign policy, meaning that he and his cabinet members would be prepared to speak up on any issue which they regard as against such norms.

This is taken to mean that they will not hesitate to criticise any Asian government which they perceive as violating human rights and democracy, Aussie style. This has always been part of Australia's foreign policy.

This is indeed bad news for ASEAN in particular as it expects Canberra to go on minding its own business

and stop passing judgment on what is going on in the region because its leaders consider such activities as obnoxious.

It will be better for Howard and his colleagues to concentrate on trade and investment and not be too critical of how their neighbours deal with their domestic problems.

All previous misunderstandings between Australia and Malaysia, for example, were due to some Australian leaders' inability to keep their views to themselves.

South-East Asia has become the most dynamic region and their economies have been doing extremely well and almost all of them enjoy high growth. If the Liberals should feel that these countries are still as backward as when they were in power a decade ago, then Howard will have his hands full in dealing with his neighbours.

Malaysia: Dally Urges Japan To Revise Loan Repayment Structure

BK3403082396 Kuala Lumpur BERITA HARIAN in Malay 22 Mar 96 p 10

[Editorial: "Japan Needs To Learn To Appreciate a Friend"]

[FBIS Translated Text] Malaysia was in urgent need of financial capital to implement its development projects 10 or 15 years ago. The most viable method of seeing the development projects materialize was through loans. In fact, Japan already had a foreign assistance scheme to promote the economic development of particular countries. At that particular period, Malaysia agreed to receive Japanese loans based on the capability of the government during that period.

Based on its friendly ties with Japan, Malaysia signed a yen credit agreement with a reasonable interest rate that was within Malaysia's ability to repay. Malaysia was dependent on Japan because at that time we believed that the country was truly and sincerely providing assistance to developing nations in Asia. We introduced the Look East Policy because we considered Japan as our closest friend. Despite criticisms of the policy, the government defended it by ensuring that we were only emulating the Japanese people's good values. We were successful in implementing the Look East Policy. We only emulate Japan's hardworking attitude and its positive values, particularly in developing a technologically literate society. Nevertheless, there are some unacceptable Japanese attitudes that we cannot absorb, one of them being its attitude of exploitation, which comes out in the area of loan repayments.

We did not expect that Japan, through its foreign assistance policy, would seize the opportunity to strengthen

its economy through suppressive measures. It seemed that Japan was taking advantage of the situation by providing credit facilities.

We admit that the credit facilities we received were fully and expeditiously utilized. Numerous projects were implemented in accordance with specific conditions and duration. Of course, we are aware that without Japan's financial assistance, we would have had to have sought such assistance elsewhere.

However, Malaysia was faced with a problem in repaying the loans it had taken out due to the increase in the value of the yen and the Japanese Government's reluctance to allow the repayment of the loans based on the original interest rate. It is also possible that Japan has certain conditions that allow it to raise its interest rates for given loans. On the other hand, we are of the opinion that if interest rates had to be raised, then they should have been, but not in a harsh manner. We are not raising a new issue but one that has been raised with almost every Japanese leader.

Deputy Prime Minister Datuk Sri Anwar Ibrahim cited Malaysia as an example. Malaysia was compelled to repay RM [Malaysian ringgit] 3 billion for a RM1 billion loan. One hundred yen was equivalent to RM2.43 when Malaysia took the loan. This means that we are currently forced to pay as much as U.S. \$1 for every Malaysian ringgit given as a loan. We consider such action as unjust because the increase is the highest ever made. We also consider that the rise in the value of the yen is a weak excuse. Japan should give due consideration to the situation of the ringgit and the currencies of other countries that have borrowed from it. A wide gap exists between the value of the yen and the currencies of the other countries. If Malaysia feels the impact of the increase in the interest rate following the rise in the value of the yen, then we sincerely believe that countries with weaker currency rates, will definitely find the repayment imposed upon them as a problem that is very difficult to solve.

We believe without question that Japan definitely wants the repayments to be made in compliance with the current market value because it wants to reap higher returns. However, Japan does not want to be branded as a modern loan shark by the countries that it has given loans to. We only hope that Japan will reschedule its repayment structure so that its credibility and image are not tarnished. Japan does not stand to lose anything if it imposes more reasonable conditions. In fact, viewed from the aspect of long-term economic and trade relations, Japan stands to gain higher profits as a result of more cordial relations with those countries. On the

other hands, Japan will definitely lose its friends should it turn a deaf ear to appeals.

Japan must realize that it will be strongly criticized by various sectors if it exploits developing countries. We only hope that the new Japanese leaders will seriously consider the issue. Only in this way, we believe, will Japan receive strong support from its own people. Nonetheless, the Japanese people do not want their government to become an oppressor.

Malaysia: Mahathir Holds Talks With Polish Premier 23 Mar

BK2303114696 Kuala Lumpur THE STAR in English
23 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia is seeking to start an air service link with Poland as soon as possible to enable easier travel between both countries.

Prime Minister Datuk Sri Dr Mahathir Mohamed told his Polish counterpart Dr Wlodzimierz Cimoszewicz although air services agreement between the two countries was signed in 1975, it had yet to be implemented.

"Malaysia hopes the agreement will be reviewed to commence air links between Kuala Lumpur and Warsaw soon," Foreign Minister Datuk Abdullah Ahmad Badawi told reporters after bilateral talks between the two leaders here yesterday.

Dr Cimoszewicz arrived here yesterday for a three-day official visit.

This is his first visit to South-East Asia after being appointed prime minister last month.

Abdullah said Malaysia also urged Poland to ease visa regulations for Malaysians travelling there.

"It is easier for Polish businessmen to enter Malaysia as they can get their visa at our airport. We hope this matter can be resolved," he added.

During the two-hour talk, Poland proposed joint venture projects in the reconstruction of Bosnia-Herzegovina, and Malaysia had agreed that the private sectors from both sides meet and identify the projects they work together.

The two leaders later witnessed the signing of an Economic, Scientific and Technical Co-operation Agreement.

Abdullah signed on behalf of the government while Poland was represented by its Vice Minister of Foreign Affairs Robert Mroziewicz.

Earlier, Dr Cimoszewicz was given a red-carpet welcome at Parliament Square and inspected a guard-of-honour mounted by 109 officers and men of the First Battalion, Royal Malay Regiment.

He is also scheduled to have an audience with the Yang di-Pertuan Agong [Paramount Ruler] Tuanku Ja'afar and Raja Permaisuri Agong Tuanku Najihah.

Among those accompanying Dr Cimoszewicz are his wife, Barbara, and First Deputy Finance Minister Krzysztof Kallicki.

Malaysia: Polish Premier Urges Tapping Potentials in 3d Countries

BK2303112396 Kuala Lumpur THE STAR in English
23 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Poland and Malaysia can work together to tap business potential in third countries including Bosnia-Herzegovina, Vietnam and Laos, Polish Prime Minister Dr Wlodzimierz Cimoszewicz said yesterday.

He said this was possible as Malaysia was now helping in the reconstruction of Bosnia.

"Given the favourable location of Poland, there are opportunities for the co-operation," he said after talks here with Prime Minister Datuk Sri Dr Mahathir Mohamed.

Dr Cimoszewicz said Dr Mahathir indicated in the talks yesterday that Malaysia faced a disadvantage in transporting heavy equipment to Bosnia.

"Malaysia is looking at the possible use of getting them from Poland," he said. He said Dr Mahathir agreed that it was to the advantage of both countries to increase their bilateral trade.

He said they had also agreed to expand other areas of co-operation.

Malaysia: Trade, Cooperation Agreements Signed With Poland

LD2303100796 Warsaw Polskie Radio First Program
Network in Polish 0900 GMT 23 Mar 96

[FBIS Translated Text] Poland will supply Malaysia with tractors from the Ursus plant near Warsaw, and rail carriages, and Polish companies will construct power plants and transformer stations.

Such agreements were established in Kuala Lumpur by Polish and Malaysian businessmen during the official visit of Polish Prime Minister Wlodzimierz Cimoszewicz.

Cooperation declarations on the exchange of production technology have been signed by Bumar-Labedy, the manufacturer of heavy technical equipment and armaments.

Malaysia: Polish Prime Minister Concludes 3-Day State Visit

BK2403141296 Kuala Lumpur RTM Television Network 1 in Malay 1200 GMT 24 Mar 96

[FBIS Translated Excerpt] The Polish prime minister's visit to this country has created another opportunity for Malaysia to do business with a nontraditional trading partner.

Prime Minister Datuk Sri Dr. Mahathir Mohamed said this to journalists after bidding farewell to his Polish counterpart Wlodzimierz Cimoszewicz, who ended his three-day visit here today.

Present at the Sultan Abdul Aziz Shah International Airport to see Cimoszewicz off were: Datu Sri Dr. Siti Hasmah Mohamed Ali, Dr. Mahathir's wife; and Datuk Ralphy Haji Jeffrey, deputy minister for public works, who attended the prime minister.

Dr. Mahathir deems Poland to be one of the successful East European countries after the collapse of the communist era. [passage omitted]

Malaysia: Minister Guarantees Intellectual Rights of Foreign Firms

BK2203152596 Kuala Lumpur NEW STRAITS TIMES in English 20 Mar 96 p 4

[Report by Lee Keng Fatt]

[FBIS Transcribed Excerpt] Penang, Tues — Malaysia provides adequate guarantees on intellectual property rights of foreign companies investing here, International Trade and Industry Minister Datuk Sri Rafidah Aziz said today.

She said the government was aware that with rapid development in the area of research and development, especially in the process and technology sectors more foreign companies were looking towards having their intellectual property rights protected.

This, Rafidah said, was done through various existing legislations in the country.

"We are aware of our obligations to protect their intellectual property rights. Foreign companies want such protection to be given adequately by the government which has invited them. We are reviewing the existing legislations and adding new elements that need to be incorporated in order to provide better protection for

intellectual property rights. This is something corporations are concerned about," she said.

She was opening Intel Technology Sdn Bhd's seventh manufacturing plant — dubbed PG7 — which was built early last year. [passage omitted]

She said it was encouraging to learn that there had been transfer of technology from Intel Corporation to Intel Technology Sdn Bhd with the establishment of the integrated manufacturing complex which required the training of its people in product design, package development, technical marketing and high-end manufacturing technologies.

She added that the electronic's industry had continued to attract investments. Between 1991 and 1995, her ministry approved 736 projects with total capital investment worth RM [Malaysian ringgit] 13.4 billion, out of which 81.3 per cent was accounted for by foreign investors.

Rafidah added that the export of integrated circuits for the first 10 months of last year totalled RM 19,658 million as compared to only RM8,887 million for 1990 and RM18,034 million for 1994.

Malaysia: Mahathir Comments on Technology Transfer in Car Industry

BK2503021196 Kuala Lumpur SUNDAY STAR in English 24 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Taiping — Datuk Sri Dr. Mahathir Mohamed has again expressed his dissatisfaction over the transfer of technology in the automobile industry.

He said although there had been a transfer of technology in car production, it was not adequate enough.

"There has been some transfer of technology; from not knowing anything at all about producing cars we now know something. There is detailed knowledge that we need to master and this is being done now."

Dr. Mahathir was, however, confident that the Japanese would eventually transfer their technology to Malaysia when they understood that the move would also benefit them.

Citing Sony as an example, he said the company had transferred the technology on manufacturing of components when it realised that it would also benefit from the move.

Earlier in Tanjung Malim, Dr. Mahathir said future housing projects should include plans on proper-size drains and waste water flow to prevent flash floods.

"Poor drainage is the main cause of flash floods in most residential areas," he said when commenting on the floods in the Klang Valley on Friday.

Singapore

Singapore: Article Questions ARF Role in PRC-Taiwan Crisis

BK2203150196 Singapore BUSINESS TIMES
in English 20 Mar 96 p 6

[*"Asian View"* column by Yang Razali Kassim: "Defusing Taiwan tension... — will Asia Pac region look to the ASEAN Regional Forum to come to the rescue?"]

[*FBIS Transcribed Text*] At the recent Asia-Europe summit in Bangkok on March 1, one Asian leader privately raised the subject of the China-Taiwan crisis with a European counterpart. How would his country react if the United States was to seek Europe's help to resolve the problem, the European leader was asked. He evaded giving a clear answer.

While Europe enjoys the luxury of distance, countries nearer to the conflict are clearly more troubled by the tensions across the Taiwan Strait. More and more regional leaders are publicly expressing concern and calling for restraint on both sides.

Singapore's Senior Minister Lee Kuan Yew, respected by both China and Taiwan, went further to call on China and Taiwan to start the relationship afresh.

Outside ASEAN, the two major powers in the Pacific — Japan and the US have displayed varying degrees of unease. Japan has begun to show how extremely worried it is by the escalating tensions.

Prime Minister Ryutaro Hashimoto earlier this week said Beijing's missile tests and war games in the Taiwan Strait were "a major cause of concern" and urged China and Taipei to show "self-restraint".

But of greatest interest to many countries is the response of the US, the party on which China has put the blame squarely for the current tension in North-east Asia.

Note how America's calculated position of "strategic ambiguity" has shifted towards outright condemnation of Beijing's "deplorable act".

Almost every high official of the Clinton administration, when commenting on the crisis, now mixes a call for restraint with a tone of toughness. "I find that deplorable and I've told my colleagues in China I find that deplorable," said US Defence Secretary William Perry on Saturday.

As he spoke, the US reportedly was assembling off Taiwan its largest fleet in Asia since the Vietnam War.

"The message we're sending is that the US has a national interest in the security and stability of the western Pacific," Mr Perry said.

Mr Winston Lord, US Assistant Secretary of State, speaking to a congressional panel on March 14, warned China of the grave consequences of an outbreak of hostilities.

"Hostilities between the PRC and Taiwan, however limited in scale or scope, would have a destabilizing effect and constrict the commerce which is the lifeblood of the (Asia Pacific) region. It would force their neighbours to reevaluate their own defense policies," Mr Lord said.

And yesterday, US Under Secretary of State, Peter Tarnoff, told the press in Singapore that he detected an increasing concern in the ASEAN region and also an emerging consensus in favour of finding ways to defuse the situation.

Mr Tarnoff was in Singapore to meet several top Singapore leaders and officials as part of a trip here and to Malaysia, Indonesia and Hong Kong.

Washington's toughening position came almost as a rebuttal to a warning from China's top general, Zhang Wannian, to the US and Taiwan to make sure their forces stayed clear of Chinese air and sea space.

Amid the bitterness, which is likely to get worse as Saturday's presidential elections in Taiwan get closer, will the Asia Pacific region look towards the multilateral security forum, the ASEAN Regional Forum (ARF), to come to the rescue?

The ARF, scheduled to meet in the middle of the year, is well-placed to play some kind of a trouble-shooting role. But China is unlikely to allow the ARF to do this. Perhaps that is why, when asked what the ARF could do to help defuse the crisis, Mr Tarnoff said the Forum is not designed to resolve immediate problems.

The credibility of the ARF will, however, come under question if it plays no part at all in resolving Asia's most troubling security problem since the Vietnam War.

Singapore: Physician Updates Reporters on Lee Kuan Yew's Health

BK2503140696 Singapore THE SUNDAY TIMES
in English 24 Mar 96

[Unattributed report — received via Internet]

[*FBIS Transcribed Excerpt*] March 24, 1996 — Mr. Lee Kuan Yew is "doing extremely well", said his principal physician Dr. John Wong, adding that the Senior Minister was a very good patient who took steps

to help ensure his recovery after an operation for a blocked heart artery.

"I don't think we could have hoped for a better patient," he said, referring to the care that the Senior Minister took over his diet and daily routine.

Dr. Wong, who is also Associate Professor and Head of the National University Hospital's Medical Oncology Department, was responding to queries from reporters on Friday, after Mr. Lee was discharged from the Singapore General Hospital (SGH).

At an interview before leaving SGH, Mr. Lee had said that he was "none the worse for it", after undergoing his second operation to clear a blocked heart artery in two months.

Asked about the care that Mr. Lee will be receiving over the next few weeks, Dr. Wong said that two senior nurses from SGH would visit him at home every morning to administer his medication. He is on a course of anti-coagulants which help to prevent blood clotting. Two of these are in the form of tablets, while a third is injected under the skin around the abdomen.

He would continue to receive the injections for about another week, said Dr. Wong, who will visit him daily.

But Mr. Lee will continue to take the anti-coagulant tablets for two months, during which he has been advised to avoid crowds because the medication could lower his immunity to infections.

Dr. Wong disclosed that Mr. Lee had been trying to keep active while in SGH, walking around the ward for exercise.

On Friday, the Senior Minister also gave a brief account of how he had spent his time while recovering in the hospital. Nurses attended to him as soon as he woke up, taking his pulse and blood pressure. Doctors also examined him twice a day to "make sure that everything is in order".

His meals were "as spartan as I have at home". He had beancurd and soyabean milk for breakfast, and some fish and chicken, as well as lots of vegetable and fruits for lunch and dinner. [passage omitted]

While at home for the next two months, he will keep in touch with his office through the computer and fax machine, he said.

A statement from the Prime Minister's Office on Friday said that Mr. Lee's condition will be reviewed this Saturday.

Singapore: FPDA 8-Day Air Defense Exercise Under Way

BK2303/14496 Singapore *THE STRAITS TIMES*
in English 23 Mar 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Fighter aircraft from the Five Power Defence Arrangements (FPDA) member nations roared into the skies from Paya Lebar Air Base yesterday to protect Malaysia and Singapore against a fictitious air attack.

They were taking part in an eight-day air defense exercise, codenamed Major Adex.

The exercise brings together about 80 aircraft, as well as ships, air defence artillery units and personnel from the FPDA members — Australia, Malaysia, New Zealand, Singapore and Britain.

It is conducted by the Headquarters of the Integrated Air Defence System (IADS), which is located at the Royal Malaysian Air Force base in Butterworth.

The Republic of Singapore Air Force will deploy its aircraft such as the F-16 Fighting Falcons, F-5 Tigers and A4-S Super Skyhawks, while the Republic of Singapore Navy will send the missile corvette RSS [Republic of Singapore Ship] Vigilance.

Ground-to-air cover will be provided by the Singapore Air Defence Artillery with the Improved-Hawk Missile System and the 35mm Oerlikon gun battery.

Malaysia will field aircraft such as the Hawk, one corvette, one offshore patrol vessel, and the Starburst, a laser-guided missile system.

Britain will contribute a destroyer, while Australia's presence will include the F/A-18 and F-111 fighters, and a frigate.

The forces will take turns acting as defenders and aggressors during the exercise.

Cambodia

Cambodia: Ranariddh Asks Do Muoi To Intervene on Border Talks

BK2203/20696 Phnom Penh *REAKSMEI*
KAMPUCHEA in Cambodian 21 Mar 96 pp 1, 2

[Report by Dararit]

[FBIS Translated Text] Do Muoi, general secretary of the Communist Party of Vietnam, expressed the goodwill to press for a solution to the border dispute in Svay Rieng Province, where Vietnam intruded into

Cambodian territory last December. This was an act perceived as a violation of the joint communique signed between the prime ministers of the two countries on 17 January 1995.

Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, said after returning from the congress of the Lao People's Revolutionary Party on the morning of 19 March that he had met with Do Muoi in Vientiane and raised with him the issue of bilateral cooperation between the two countries. At the same time, he also raised the question of the border dispute in Svay Rieng, which was seen as a violation of the 17 January 1995 joint communique. It was thereby deemed necessary that this dispute be quickly settled through peaceful means to prevent any violent repercussions.

The prince said he also asked Do Muoi to intervene so he could hold a meeting with Vo Van Kiet as soon as possible in order to settle this border dispute. If there is no resolution of this issue, then we are in no position to expand relations between the two countries. It is true that the border technical working groups must meet, but this is not a problem about maps. It is about how the two countries can continue to implement the agreements in the 17 January 1995 joint communique.

Responding to the prince's remarks, Do Muoi said his opinion was the same as Prince Krompreah Norodom Sihaouk's. The two prime ministers must meet as soon as possible; if Prince Krompreah Norodom Ranariddh wants Vo Van Kiet to come to Phnom Penh to settle this dispute, then he will come right away to settle it.

On the morning of 19 March, Do Muoi also informed the prince that he had sent a cable to Vo Van Kiet to make it possible for the prince to hold talks on the Svay Rieng border dispute.

It should be noted that Prince Krompreah Norodom Ranariddh had already sent messages to Vo Van Kiet, repeatedly asking him to meet and settle this border dispute. First, he asked him for a meeting in Vientiane in early March, but Vo Van Kiet postponed it on the grounds that he was too busy and could not go there. He said that the prince was free to come to Vietnam if he had the time. Recently, the prince again proposed to meet Vo Van Kiet as soon as possible, but Vo Van Kiet answered: This border problem is not important; it is only a minor affair. Just let the border commissions of the two countries settle it, and his meeting with Prince Krompreah Norodom Ranariddh should be delayed until the Cambodian traditional New Year [in mid-April].

This time around, it is obvious that Do Muoi, general secretary of the CPV, has displayed goodwill. It was

expected that Vo Van Kiet would come to Phnom Penh at the request of Prince Krompreah Norodom Ranariddh, or to any other place that the prince wishes him to go.

Cambodia: Hun Sen Vows To Solve Border Problems Peacefully

*BK2203162096 Phnom Penh National Radio of Cambodia Network in Cambodian
0500 GMT 22 Mar 96*

[Speech by Second Prime Minister Hun Sen at the opening of a sports day for the handicapped at the Olympic Complex Stadium in Phnom Penh on 22 March — recorded]

[FBIS Translated Excerpt] [passage omitted] Your excellencies, ladies and gentlemen: Of late, a worrying problem has quietly arisen, and I know that all of the compatriot handicapped have also been anxious about it. On behalf of the Royal Government [RG] and the prince krompreah first prime minister, I would like to reaffirm that the priority task of the Royal Government of Cambodia is to banish the people's poverty. To continue all the necessary reforms to develop our society in line with the recent requests, which also relate to opposition to the Khmer Rouge rebels, we will further maintain the strategy of developing the rural areas as a groundwork for wiping out the outlawed rebels. Therefore, the border problems with our neighbors will be tackled and definitely solved through peaceful means.

You are asked to firmly believe that the RG will not take risks in striving to solve the border problems with our neighbors. We will certainly be able to find heroes who can solve the problems peacefully. What is absolutely true is that we can never become heroes in the flames of a war. Neither the Cambodian people nor the international community want to see more urns in Cambodia, which has just emerged out of war. The worry that has haunted some compatriots makes them recall the time when the country was at war and when students and youngsters, who were obliged to leave schools and their families to hold arms, were later killed or became disabled.

I would like to solemnly reaffirm that, at all costs, the RG and the two prime ministers will not let a bloody war reoccur in Cambodia. [passage omitted]

Cambodia: 'Serious Rift' Emerging in Coalition Government

*LD2203121196 Melbourne Radio Australia
in English 1100 GMT 22 Mar 96*

[FBIS Transcribed Text] Signs are emerging of a serious rift in Cambodia's coalition government. Evan Williams

25 March 1996

reports the senior prime minister, Prince Norodom Ranariddh, has warned he could pull his party out of the coalition if the former communists do not start sharing power.

[Williams] There's no doubt First Prime Minister Prince Norodom Ranariddh needs a platform to re-fire his party's flagging image and electoral chances. But the strength of the broadside is surprising. The two agreed to share power to avoid continued war after the elections, but Prince Ranariddh says the former government has refused to hand over key positions. He told a FUNCINPEC Party congress it could withdraw if the former communists do not live up to their power sharing promises. "Two years have passed and we've not met half our promises," he says. "We cannot continue to do this."

He says many key positions of power are still filled by the former communist CPP [Cambodian People's Party] run by Second Prime Minister Hun Sen. He [Hun Sen] has been exerting increasing power in recent months on the base of never really handing over power despite losing the election.

Cambodia: Paper Confirms Ranariddh's Threat of Withdrawal

*BK2303092196 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 23 Mar 96 pp 1, 2*

[Report by Soria Ritthipul]

[FBIS Translated Text] An official of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party told REAKSMEI KAMPUCHEA, following the first FUNCINPEC congress on 21 March, that Prince Krompreah Norodom Ranariddh, first prime minister and FUNCINPEC chairman, had emphatically and decisively stated that the alliance between FUNCINPEC and the Cambodian People's Party [CPP] should arrive at a common agreement that is balanced and fair, "otherwise FUNCINPEC has to withdraw from the Royal Government [RG] and become an opposition party in the National Assembly." The prince's remarks were made after honorable guests and reporters had been invited to leave.

The official added that the problem that motivated the prince krompreah to issue the statement was that he felt dissatisfied with the merging of the previous FUNCINPEC structure into the RG, which, he claimed, "was delayed and unfair."

It was noted that the prince's remarks were in connection with the problem of sharing power at the district level, where FUNCINPEC and the CPP have agreed in principle to a 50-50 split. So far, FUNCINPEC offi-

cials have, however, not acquired any of the positions yet. The prince krompreah stressed: "Changing or not changing is its (the CPP's) business; but a principle is a principle. I believe that there should not be obstacles due to the unreadiness of the CPP."

The prince krompreah added that in fact the merger has not been done quickly and appropriately in line with the spirit of the Paris accord.

Prince Krompreah Norodom Ranariddh pledged to FUNCINPEC members that he would strive to demand that the 50-50 power sharing principle be implemented with concrete results, saying "I can no longer remain indifferent to all the former cadres of the FUNCINPEC party."

Analysts said the prince's statement represents a FUNCINPEC complaint about the power-sharing arrangements and is aimed at calming down FUNCINPEC members.

Generally speaking, part of the power-sharing arrangements based on the Paris accord appear to be ambiguous. The Buddhist Liberal Democratic Party led by Ieng Muli, which has been given nothing, has also expressed disappointment at the allocation of district-level positions.

It is worth recalling that the power-sharing issue was taken up by the FUNCINPEC congress held on the morning of 21 March as a basis for the resolutions on its fundamental policy as of 23 March.

Cambodia: Royalist FUNCINPEC Threatens Withdrawal From Government

*BK2203124696 Hong Kong AFP in English
1227 GMT 22 Mar 96*

[FBIS Transcribed Text] Phnom Penh, March 22 (AFP) — The royalist FUNCINPEC [(National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia) party on Friday threatened to withdraw from Cambodia's coalition government if its main partner in the coalition does not live up to power-sharing arrangements made following the historic 1993 UN-sponsored elections here.

At its first national congress since that election, FUNCINPEC officials said they were angered that the formerly communist Cambodian People's Party (CPP) had not yet handed over many local, provincial and ministerial positions it had said it would.

"If it is necessary, we are not afraid to withdraw," said Prince Norodom Ranariddh, who was re-elected as president of the party on Friday at the end of the two-day congress.

He complained that the CPP, the remnant of Vietnamese-backed governments that ruled Cambodia in the 1980's, was delaying implementation of the agreements which called for a 50-50 split in the allocation of government positions.

"Two years have passed, but the royal government has not been able to fulfill even 50 percent of its promises," the prince said, hinting that many of the problems FUNCINPEC said it would fix if elected had remained or grown worse because of the CPP.

"We are not able to combat corruption or drugs and FUNCINPEC cannot accept it anymore," he said. "FUNCINPEC has betrayed its members by not fully serving the interests of the people in this way."

He said that positions at a district level, the Ministries of Justice, Information and Culture and the Supreme Court were still mainly filled by CPP members in violation of the arrangements.

Agreements were reached after FUNCINPEC won the 1993 election, but was forced into a coalition when the CPP threatened to continue civil war if it was not included in the government.

The prince said withdrawing from the government would be a first step to show that FUNCINPEC meant business. If that didn't work, he said, the party would consider dissolving parliament by walking out.

"If things cannot be compromised ... the National Assembly could be dissolved," he said. "If the winner withdraws from parliament there will only be the minorities there and they cannot govern."

The prince said he did not think that such moves would be seen as a prelude to another civil war because FUNCINPEC still firmly supported the next national election scheduled for 1998.

It was not immediately clear if the FUNCINPEC threat would affect the day-to-day governing of the country.

CPP officials said they were not aware of Prince Ranariddh's comments and would not react to them until they had seen a full transcript of the remarks.

Senior FUNCINPEC officials said they agreed with the party's new tough stand.

"For two years we have been the nice guys, always giving in and conceding points," said one senior ministry official. "Well, we are now saying 'No more Mr Nice Guy'."

"It is about time we started to take a stand," said another. "After all, we won the election and the CPP still holds most of the power. The people spoke and we want to make sure they are heard."

Diplomats, however, sounded a more cautious note, saying a FUNCINPEC walk-out of government and the National Assembly could spell doom for Cambodia's fragile economy, which subsists largely on foreign aid.

"It is too early to predict what would happen if FUNCINPEC does what they say they will," said one Western diplomat. "But it could be disastrous. No government, no parliament and no method yet for a new election, what would aid donors think?"

The two parties campaigned bitterly in the run-up to the election with FUNCINPEC — the French acronym for the National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia — accusing CPP operatives of widespread political violence and intimidation.

**Cambodia: FUNCINPEC Deputy Premier
'Secretly' Demoted**

BK2503095596 Phnom Penh CHAKKRAVAL
in Cambodian 21 Mar 96 pp 1, 4

[Report by Chakkraval: "His Excellency Ing Kiet Demoted!"]

[FBIS Translated Text] His Excellency Deputy Prime Minister Ing Kiet of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party is known to most citizens, officials, and functionaries as the triple deputy prime minister has been secretly demoted. He was removed from his post as deputy prime minister and has become a mere state minister and minister of public works.

To this day, no one knows the reason behind Ing Kiet's demotion.

It has become a habit for Cambodians to remove a big shot from his high position or seat when he is not in the country, if he is sent abroad for training, or if he is visiting a foreign country... The post may be pulled from under his feet in his absence.

What happened to His Excellency Ing Kiet was no exception. He was demoted from deputy prime minister to the more humble post of state minister while in Thailand on 4 March on sick leave.

A number of high-ranking officials were surprised by the long succession of anomalies that have plagued the FUNCINPEC party. Not one of the FUNCINPEC members, however, seems to have been privy to the removal of Mr. Ing Kiet's deputy premiership or to the appointment of his replacement. They only know that it is Prince Krompreah Norodom Ranariddh who has the power to remove the big shots.

This is a complex problem and it will be raised at the upcoming 31-23 March FUNCINPEC congress. The congress calls for a peaceful solution or FUNCINPEC may collapse from fragmentation.

Cambodian Banned Opposition Party Leader Takes Control of Legal Party

*BK2303091396 Hong Kong AFP in English
0449 GMT 23 Mar 96*

[FBIS Transcribed Text] Phnom Penh, March 23 (AFP) — Outspoken dissident Sam Rainsy moved Saturday to thwart a government ban on his opposition Khmer Nation Party (KNP), taking control of a little-known but legal political movement and further clouding Cambodia's already confused political situation.

At Saturday's extraordinary congress of the tiny Liberal Reconciliation Party (LRP), one of 16 groups that registered for and unsuccessfully fielded candidates in the 1993 UN-brokered elections here, elected Sam Rainsy as its president.

A new steering committee, which includes former LRP president Samreth Roth, then voted to change the party's name to the Khmer Nation Party, adopt the KNP logo and constitution and move its headquarters to the KNP's office.

"There is no need for the government to recognize the party because this party already exists, it is recognized by the world," Sam Rainsy said, referring to the former LRP's recognition by the United Nations in the election.

"The government would be completely crazy to pretend that they don't recognize our move to obtain legality," he said. "Any organization or association has a legal right to change its name."

The former finance minister who founded the KNP after being expelled from the royalist FUNCINPEC party and parliament last year made no secret of his intentions in merging the two parties saying the KNP did not get many new members but acquired the LRP's legality.

Although it only received 28,000 votes, or 0.75 percent of the total votes cast in the 1993 election, the LRP, which advocated national unity and national security, remains recognized by the government.

The government has refused to recognize the KNP claiming its leadership did not file the correct registration papers before the party was officially founded in November, 1995.

Sam Rainsy has accused the government of administrative harassment arguing that it was impossible to submit all the necessary papers, including bank statements and a list of party officers, before the party was founded.

He has since filed the documents but the government has refused to grant the party legal status and has ordered it to close its office — a demand that remains unmet.

In a bid to obtain recognition, the KNP earlier this month voted to change its founding date and logo, but the government has not responded and KNP officials have four times unsuccessfully attempted to meet with authorities to discuss the KNP's status.

Further complicating the situation, a rival KNP, led by a disgruntled and expelled party co-founder, emerged on March 14, claiming to be the legitimate party.

Sam Rainsy's faction has dubbed the group "renegades" and claimed they are part of a government plot to destroy the KNP.

Interior Ministry officials could not be reached immediately to comment on whether the status of the new KNP would be revised.

Cambodia: Official Reports Railway Line Disrupted by Khmer Rouge

*BK2403162696 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 24 Mar 96 p 4*

[FBIS Translated Summary] A railway official in Battambang Province has admitted that "we have failed in our activities to connect the railway line in the northern part of Moung Russel District due to inadequate security."

The 75-km stretch of railway line between Svay Don Kev and Battambang town has been frequently disrupted by Khmer Rouge mine attacks. The 35 bridges on this stretch of the old railway line have been damaged by mines as many as three times.

The official also says in his report that the approximately 20 km segment between Svay Don Kev and Moung Russel district town has been restored, but repair work cannot be carried out from the area north of Moung Russel District to the vicinity of Battambang town. This 30 km stretch with 21 bridges has been disrupted almost daily by the rebels' mines. The official adds that many segments comprised of hundreds of meters of railway line have been cut in no less than 15 places between O Krabau in Moung commune and Kouk Trom in Thippadei commune.

According to a Battambang provincial police official, the area that is most frequently subject to the rebels' mine attacks is between Kaoh Cha and Kouk Trom, where the rebels benefit from the light cover provided by vegetation.

Cambodian Government Troops Said Prepared To Use Thai Territory

RC2403162896 (Clandestine) *Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodia* 2330 GMT 23 Mar 96

[FBIS Translated Excerpt] Reliable reports say that Ke Kimyan and Khan Savoun, chief and deputy chief of staff of the two-headed government respectively, have ordered their forces to attack the Khla Ngoap position through Thai territory.

The reports cite the 22 March 1996 conversation between Ke Kimyan and Khan Savoun, in which the two men said that they have made preparations for the two-headed forces to attack Khla Ngoap through Thai territory. These two men have acted this way because they have not been able to take the Khla Ngoap position over the past two months and because their troops, tanks, and weapons have been in ruins. Therefore, they are making preparations for their troops to attack Khla Ngoap through Thai territory on 23, 24, and 25 March 1996.

For our part, we have learned about this directly from a conversation between Ke Kimyan and Khan Savoun. The Thai people, officials, and soldiers in the Nong Ien area, from (Kouk Seng) to (Phum Noy) in Aysayprathet District, are also aware of this. They have witnessed the activities of the two-headed troops themselves. [passage omitted]

Indonesia

Indonesia: Progress of East Timor Talks in Austria Reported

RC2203164596 *Jakarta KOMPAS in Indonesian* 22 Mar 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Burg Schlinging, KOMPAS — The second day of the All-Inclusive Intra East Timorese Dialogue, AETD, on Wednesday (20 March) in Burg Schlinging, Austria was marked by the withdrawal of Ramos Horta, a hardliner anti-integration figure, from the meeting. He left the meeting as participants were discussing the issue of development progress in East Timor, proposed by provincial governor Abilio Soares, and the human rights issue, presented by Clementino Amaral, Indonesia's National Human Rights Commission member.

Horta had deemed the topics discussed by the participants as irrelevant and inapplicable to the actual conditions in East Timor.

The meeting started on Tuesday under the auspicious of the United Nations.

A report from KOMPAS correspondent Ansel da Lopez in Burg Schlinging yesterday said Ramos Horta told journalists that he could not accept any views on human rights in connection with the Indonesian National Human Rights Commission's handling of the cases in East Timor. The reason is the National Human Rights Commission has been nominated by the Indonesian Government and Baharuddin Lopa (National Human Rights Commission member) is a government official, so generally his independence can be doubted.

Horta said there should be a substantial objective in seeking a comprehensive settlement to the East Timor issue, and the question of self-determination for the East Timor people is acceptable to all parties. However, Indonesia has taken a firm stance on this: the East Timor issue is over because the East Timorese people have decided to be integrated with Indonesia.

Regret

Following the meeting, Amaral expressed his regret over Horta's action in not listening to the explanations given. He stressed that Horta need not doubt the independence of the National Commission on Human Rights. The commission had protested to the Indonesian Government in connection with several cases, including those in East Timor, by conducting its own investigations. "We investigated the cases of Ninja, Liquica, and several others by ourselves, we did not stay quiet," Amaral said.

Amaral said, among the several human rights cases being handled by the commission, the East Timor issue comes in sixth place. The bigger cases come from Java Island and Irian Jaya. Thus, there is no human rights problem in East Timor. Even if there are a few cases, the problem is so small that it is not often debated.

Governor Soares said that he presented the topic on the general development in East Timor to provide information to all the participants. "It was not intended as an invitation to outsiders to go to East Timor, but to show the reality that for 20 years, the Indonesian Government has been serious in looking after the welfare of the poor people."

A source said that Lopes da Cruz, Indonesia's roving ambassador, had criticized Horta, and asked what he had done for the East Timor people. The ambassador went as far as asking about the International Solidarity Committee fund for East Timor that Horta had collected.

In relation to Horta's behavior, participant Salvador Ximenes, member of the House of Representatives of the Republic of Indonesia, told every one at the meeting to mutually respect each other so that the dialogue can

progress accordingly. He considered Horta's demand for discussions on self-determination in East Timor as a deviation from the UN resolution that AETD is not to address political issues and the political status of East Timor.

The meeting was highlighted by a debate on the need to establish a special East Timorese committee at the UN to keep pace with the development on the East Timor issue at the world body. The proposal came from East Timorese group residing outside Indonesia. Those from Indonesia felt that there was no need for such a committee because the trilateral dialogue between the Indonesian and Portuguese foreign ministers and the UN secretary general already existed to handle UN-related forums on East Timor.

According to the schedule, after the conclusion of the meeting on Friday (23 March), Portuguese Foreign Minister Jaime Gama will receive the Indonesian delegation in Vienna. Initially, the meeting, which was requested by Gama, was to be jointly held with the group outside Indonesia. But the Indonesian delegation had refused to be combined with the other group, giving the excuse that they are "not under the Portuguese Government." Gama will receive the group outside Indonesia on Saturday. [passage omitted on list of participants]

Indonesia: 'Seven-Point Declaration' Issued at East Timor Talks

*BK2503023596 Jakarta KOMPAS in Indonesian
23 Mar 96*

[Unattributed Report — received via Internet]

[FBIS Translated Text] Burg Schlining, KOMPAS — A seven-point declaration was issued at the end of the All Inclusive Intra-East Timorese Dialogue [AETD] on Friday (22 March).

Tough discussions on the draft declaration began on Thursday evening and ended only at 0400 on Friday, KOMPAS correspondent Ansel da Lopez reported from Burg Schlining last night.

The second AETD, which started on Tuesday (19 March), was marked by an incident. Ramos Horta [leader of the Revolutionary Front for an Independent East Timor] walked out of the dialogue.

The declaration was signed by each participant before being announced to journalists.

Monsignor Jose Antonio da Costa, vicar general of the Dili Diocese, as a personal envoy of Bishop Belo, was the first to sign the declaration.

The English version of the declaration was read by Ines Almedia (an Australian-based representative of the

overseas East Timorese community) and Lopez da Cruz as a representative of the pro-Indonesian group.

Before the declaration was read, Monsignor Jose Antonio da Costa led the participants, who were standing arm-in-arm, in a prayer.

Seven Points

Expressing gratitude to the UN secretary general and the Austrian Government, the participants issued the 1996 Burg Schlining Declaration:

First, the participants stress the importance of the presence of Monsignor Jose Antonio da Costa, a representative of Bishop Belo.

Second, the participants again stress the importance of talks between Indonesia and Portugal under the auspices of the UN secretary general to seek a fair, comprehensive, and internationally acceptable solution to the East Timor issue.

Third, the participants express interest in continuing all inclusive intra-East Timorese dialogues if requested by the UN secretary general within the current framework.

Fourth, the participants express interest in the intention of the governments of Indonesia and Portugal to establish the East Timor Cultural Center in Dili to study the languages, customs, and traditions of the East Timor people.

Fifth, the participants welcome Portugal's assistance in developing human resources in East Timor through concrete steps such as financial and technical support for the University of East Timor and practical courses for the younger generation in various areas relevant with the East Timor people's needs.

Sixth, as the East Timor people play an important role in administering and developing East Timor, the participants urge the Indonesian Government to give East Timorese greater opportunities in local administrations as well as under economic, trade, and investment policies.

Seventh, the participants stress the need for steps to protect human rights, including the protection of women, to promote peace, stability, and social justice and harmony.

Indonesia: Portugal Cites Conditions for Normalization of Ties

*BK2503032296 Jakarta ANTARA in Indonesian
0554 GMT 24 Mar 96*

[FBIS Translated Text] Vienna, 23 Mar (ANTARA) — Portugal's position on the normalization of ties with

Indonesia was made clear by Prime Minister Antonio Guterres when he met President Suharto in Bangkok in early March. Foreign Minister Jaime Gama said Portugal is still waiting for Indonesia's reply.

Speaking at a news conference attended by Indonesian and Portuguese journalists in Vienna, Austria, Gama stressed that as far as Portugal is concerned, the thawing of diplomatic ties should include from the Indonesian side the release of rebel leader Xanana Gusmao and his followers, and an improving human rights situation in East Timor, as monitored by the international organizations.

"We are waiting for Indonesia's reply to the proposal," Gama said. Gama went to Vienna to meet participants of the All-Inclusive Intra East Timorese Dialogue (AETD) in Burg Schlaining, Austria, 19 to 22 March.

On the seven-point AETD declaration, Gama said he could not comment on the substance of the declaration because it was the work of United Nations East Timor personalities and it should be respected.

He said: "In future, continued dialogues should be held within the same framework as the trilateral dialogue among the Indonesian and Portuguese foreign ministers, and the UN secretary general."

In connection with the efforts to seek a comprehensive settlement to the East Timor issue, Gama said Portugal has a clear stance on this, and that the issue can be resolved through methods and doctrines enforced by the UN.

He said Portugal is committed to the process adopted by the UN — such as holding consultations with the people concerned and asking them which solution they prefer.

Responding to Indonesian journalists on the possibility of visiting Portugal for news coverage, Gama said Portugal has a free press policy and does not discriminate against any journalist.

Gama met six Indonesian participants of the AETD in Vienna on Friday. They are Lopes da Cruz, Parada, Amaral, Antonio da Costa, Abilio, and Amindo.

Indonesia: Alatas Praises Intra East Timor Meeting in Austria

BK2503104496 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 25 Mar 96

[FBIS Translated Text] Foreign Minister Ali Alatas says the recent All-Inclusive Intra East Timorese Dialogue, AETD, held in Austria has produced better and more concrete results than the previous one. Speaking to reporters after he held talks with Croatian Foreign

Minister Mate Granic in Jakarta this morning, Alatas said the second AETD did not address many political issues but focused on cultural and educational issues in East Timor.

As for his talks with his Croatian counterpart, Alatas said the two ministers had discussed efforts to expand bilateral ties, especially in economic and trade areas.

[Begin Alatas recording] Our talks focused on potential bilateral economic and trade relations. We hope that with the realization of the Dayton accord, which leads to political stability, Croatia will be able to concentrate on economic reconstruction. Croatia is a country that has made industrial progress for a long time. [end recording]

Indonesia and Croatia established diplomatic ties in September 1992 and will soon sign agreements on investment and avoidance of double taxation in their efforts to boost bilateral economic and trade ties.

Indonesia: 'Inconsistent Economic Policies' Criticized

BK2203150096 Jakarta KOMPAS in English 22 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — Recent inconsistent economic policies have disturbed the flow of foreign investment into Indonesia, argued Head of the Economics Department at the Center for Strategic and International Studies (CSIS) Mari Elka Pangestu on Wednesday (20 March).

These inconsistent policies run counter to free trade principles which are central to overcoming Indonesia's severe current account deficit, she said during a seminar entitled Visions of Indonesia's Economic Growth Facing the 21st Century. According to Mari, foreign investment is vital to reducing Indonesia's US\$7.9 billion current transaction deficit.

The new automobile industry policy is widely regarded as a discriminative move in relation to foreign investment objectives. Indonesia has no choice but to participate in the multinational business community. How it operates depends on the foreign investment climate, she maintained.

Now, she added, the world is asking: are Indonesia's policies consistent with the basic principles of international trade? All foreign news publications are reporting that the automobile policy is discriminative and contradict principles of global transaction, she asserted.

According to Mari, consistent policies override the development of an industry base. Perhaps now Indonesia

Indonesia was made clear by Prime Minister Antonio Guterres when he met President Suharto in Bangkok in early March. Foreign Minister Jaime Gama said Portugal is still waiting for Indonesia's reply.

Speaking at a news conference attended by Indonesian and Portuguese journalists in Vienna, Austria, Gama stressed that as far as Portugal is concerned, the thawing of diplomatic ties should include from the Indonesian side the release of rebel leader Xanana Gusmao and his followers, and an improving human rights situation in East Timor, as monitored by the international organizations.

"We are waiting for Indonesia's reply to the proposal," Gama said. Gama went to Vienna to meet participants of the All-Inclusive Intra East Timorese Dialogue (AETD) in Burg Schilling, Austria, 19 to 22 March.

On the seven-point AETD declaration, Gama said he could not comment on the substance of the declaration because it was the work of United Nations East Timor personalities and it should be respected.

He said: "In future, continued dialogues should be held within the same framework as the trilateral dialogue among the Indonesian and Portuguese foreign ministers, and the UN secretary general."

In connection with the efforts to seek a comprehensive settlement to the East Timor issue, Gama said Portugal has a clear stance on this, and that the issue can be resolved through methods and doctrines enforced by the UN.

He said Portugal is committed to the process adopted by the UN — such as holding consultations with the people concerned and asking them which solution they prefer.

Responding to Indonesian journalists on the possibility of visiting Portugal for news coverage, Gama said Portugal has a free press policy and does not discriminate against any journalist.

Gama met six Indonesian participants of the AETD in Vienna on Friday. They are Lopes da Cruz, Parada, Amaral, Antonio da Costa, Abilio, and Amindo.

Indonesia: Alatas Praises Intra East Timor Meeting in Austria

BK2503104496 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 25 Mar 96

[FBIS Translated Text] Foreign Minister Ali Alatas says the recent All-Inclusive Intra East Timorese Dialogue, AETD, held in Austria has produced better and more concrete results than the previous one. Speaking to

Minister Mate Granic in Jakarta this morning, Alatas said the second AETD did not address many political issues but focused on cultural and educational issues in East Timor.

As for his talks with his Croatian counterpart, Alatas said the two ministers had discussed efforts to expand bilateral ties, especially in economic and trade areas.

[Begin Alatas recording] Our talks focused on potential bilateral economic and trade relations. We hope that with the realization of the Dayton accord, which leads to political stability, Croatia will be able to concentrate on economic reconstruction. Croatia is a country that has made industrial progress for a long time. [end recording]

Indonesia and Croatia established diplomatic ties in September 1992 and will soon sign agreements on investment and avoidance of double taxation in their efforts to boost bilateral economic and trade ties.

Indonesia: 'Inconsistent Economic Policies' Criticized

BK2203150096 Jakarta KOMPAS in English 22 Mar 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Jakarta, KOMPAS Online — Recent inconsistent economic policies have disturbed the flow of foreign investment into Indonesia, argued Head of the Economics Department at the Center for Strategic and International Studies (CSIS) Mari Elka Pangestu on Wednesday (20 March).

These inconsistent policies run counter to free trade principles which are central to overcoming Indonesia's severe current account deficit, she said during a seminar entitled Visions of Indonesia's Economic Growth Facing the 21st Century. According to Mari, foreign investment is vital to reducing Indonesia's US\$7.9 billion current transaction deficit.

The new automobile industry policy is widely regarded as a discriminative move in relation to foreign investment objectives. Indonesia has no choice but to participate in the multinational business community. How it operates depends on the foreign investment climate, she maintained.

Now, she added, the world is asking: are Indonesia's policies consistent with the basic principles of international trade? All foreign news publications are reporting that the automobile policy is discriminative and contradict principles of global transaction, she asserted.

According to Mari, consistent policies must be

can win in the automobile sector but other sectors will be sacrificed such as the flow of investment and the international perception of Indonesia, she said.

Now another question arises. The national automobile industry has only three years to succeed. Proton Saga in Malaysia, for example, has been going for more than 10 years. But can it be said Proton is able to compete with Korea's Hyundai? That's the question. Maybe the industry can succeed but the risk is huge, she said.

Mari felt sure that Japan's threat of taking Indonesia to the World Trade Organization and the General Agreement on Trade and Tariffs was very real. I don't know what steps Japan will take to harm Indonesia at the international forums. But it's clear Japan is not happy with Indonesia. Presently a closed dialog between Indonesia and Japan is in process to ensure that this policy does result in discriminative practices, she continued.

Soon Indonesia will be facing tough competition in the domestic and global market. The struggle for foreign investment, vital for the funding of development projects as well as narrowing the domestic investment-saving gap, will be a central part of this competition, Mari asserted.

In the 21st century, the private sector will largely control the flow of foreign investment to developing nations while aid funds will become more limited. In relation to foreign direct investment (FDI), said Mari, the development of infrastructure will become the target. Industrial improvement are vital if productivity and the quality of goods is to be increased.

Recently the Indonesian government outlook has been directed increasingly toward the liberalization of foreign investment. This has been prompted by Indonesia's involvement in the Asia-Pacific Economic Cooperation Forum (APEC), the outcome of the Uruguay Talks and changed perceptions regarding the way foreign investment flows between ASEAN nations.

It is therefore surprising that Indonesia suddenly issues an automobile industry policy. Several months before the policy was released, foreigners were responding well to investment here. Now people are questioning. This is a serious matter because it may hinder the flow of foreign investment, said Mari.

Mari explained that the world had been integrated through the trade of goods and services and the flow of investment. Now if one economy experiences difficulties then the impacts can be detected in other economies. Therefore, a country needs to take anticipative steps and be cautious in their economic relations, she maintained.

Additionally, there is always a potential for economic instability between developing nations competing for investment. This means the central bank must have sizable reserves. There is, hence, a new challenge in the management of domestic liquidity, namely that large amounts of investment enter and exit (a country) at any one time, Mari said.

High levels of investment in the private sector indicate high growth. This investment, including portfolio investment, only comes from credit worthy countries. It is therefore important to ensure a strong economic base, consistent policies, a continuation of deregulation and privatization, improvements in the legal system and other factors including country risk.

Indonesia: Japanese Envoy Comments on National Car Project

*BK2503090496 Jakarta ANTARA in Indonesian
0725 GMT 22 Mar 96*

[FBIS Translated Text] Jakarta, 22 Mar (ANTARA) — Japanese Ambassador to Indonesia Taizo Watanabe says Indonesia's uncompetitive industry will hurt the country because it will discourage foreigners from investing in Indonesia.

He made the comments in response to the Indonesian Government's national car policy announced last week. Speaking after presenting the Japanese Government's financial aid at the Foreign Affairs Department on Friday, he said such a protectionist policy will cause problems in view of the World Trade Organization's free market accord.

Japan's private sector has also voiced similar views, saying that such a policy is unpopular and runs counter to earlier economic deregulation policies of the Indonesian Government. The ambassador said it is Japan's private sector, not the government, that has made huge investments in Indonesia. The private sector continues to pay attention to what the Indonesian Government has done or will do.

Watanabe said however that this does not mean that the Japanese Government is totally opposed to the national car project. Rather, it is opposed to the way the project is implemented.

He said the Japanese and Indonesian Governments are still holding talks on the matter. He described the Indonesian Government's willingness to hold talks as something positive because that shows that it is still willing to listen to views of others.

**Indonesia: Dailies Propose Ways To Deal With
Irian Jaya Unrest**

**BK2503035596 Jakarta Radio Republik Indonesia
Network in Indonesian 0600 GMT 22 Mar 96**

[From the press review]

[FBIS Translated Text] Commenting on the series of recent unrests in Irian Jaya, **SUARA PEMBARUAN** wonders whether they were indeed triggered by socioeconomic differences or masterminded by certain political groups. Of course, it wants the authorities to quickly find out whether certain groups are behind these destructive riots in Irian Jaya. One area that requires serious attention is rapid economic development in Irian Jaya which seems not to have benefitted the majority of the people. Such rapid growth has not raised the dignity, status, and welfare of the local people.

FELITA says it is unsure whether the unrests in the easternmost province are interrelated. Even though what had happened in **Tembagapura**, **Sentani**, and **Abepura** seemed to be different, in fact, they had certain similarities. **FELITA** notes that we have succeeded somewhat in pacifying the unrest, though the seeds of separatism may grow any time in the province. Therefore, efforts to cope with the unrest must be comprehensive. It is high time to amend government policy toward Irian Jaya and it is therefore advisable to break Irian Jaya into two or three smaller provinces.

Voicing an almost similar view, **BERITA BUANA** believes the series of unrests were interrelated. The government appears to have worked hard in handling them but it is easier for **OPM** [Free Papua Organization] members to move among tribal groups. Therefore, a comprehensive solution involving several government agencies is needed. This must consist of education and inculcation of nationalism and awareness that they belong to Indonesia. Of course, this must be accompanied by other measures including economic development and public health improvement to ensure that Irian Jaya does not lag behind other provinces. To understand the situation of the people in Irian Jaya's rural areas, we may enlist the aid of Christian missionaries who have been operating in the province for centuries and who have direct contact with the local people.

Philippines

**Philippine Military Analysts on U.S. Navy Use of
Ports**

**BK2503032596 Manila BUSINESS WORLD
in English 25 Mar 96**

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Even if the Philippines opts to remain neutral should hostilities between the People's Republic of China and Taiwan erupt, the country may still be dragged into the conflict if it allows the United States' use of docking ports in the Philippines.

Approval by the Philippines of a US request to use our ports to resupply their ships may be interpreted by China as a hostile act, military analysts said. Sources said the US does not need to invoke the Mutual Defense Treaty (MDT) to acquire the help of the Philippines in case it gets involved in a China-Taiwan war. "The US could request for the use of Subic Bay or request passage to the Philippines to resupply and refuel their ships. It could be anywhere from the coasts of Batanes to Subic Bay or even Manila Bay," the source said.

**Philippines Columnist Blames U.S., Taiwan for
Crisis With PRC**

**BK2503054696 Manila THE MANILA CHRONICLE
in English 12 Mar 96 p 4**

[From the "Here and There" column by J.V. Cruz: "U.S., Taiwan Provoked the Current Crisis"]

[FBIS Transcribed Text] Let's get one thing straight from the very outset.

The relations between China and the US, and between Taiwan and China, were proceeding along at a "normal," friendly and cordial level when, sometime last year, the Americans gave the president of Taiwan, **Lee Teng-hui**, a visa to visit the US ostensibly to take part in an "alumni reunion" at the University of Cornell where he had studied. The Chinese warned the US that such an act would confer on Lee some kind of legitimacy as the head of an independent, sovereign state, which they made clear Taiwan was not. Taiwan, they said, was a renegade province of China which **Chiang Kai-shek** and the remnants of his vanquished Kuomintang army had seized and turned into a refuge in 1949 when they were routed out of the mainland. Giving Li his visa, they warned the US, would be considered an unfriendly, provocative, reckless act.

It must be remembered that the US, when it opened full relations with the People's Republic [of China] during Richard Nixon's presidency acknowledged the

reality of "one-China" of which Taiwan was a part. The Philippines also accepted this formula when we, in turn, forged diplomatic relations with the Beijing regime sometime afterwards. We hope the Ramos administration does not forget this when it begins to assign blame for the current tension gripping our region.

With its usual hubris and arrogance, the US Government ignored Beijing's objections and issued Lee his visa to visit the US, where he was feted and lionized. It was a direct and undisguised slap on the face of the People's Republic, and it naturally reacted angrily. Relations between Beijing on one hand and the US and Taiwan have been going downhill ever since.

Refusing to be humiliated, China mounted a series of naval and military maneuvers off the coast of Taiwan which are going on to this day. It has just fired three missiles (unless more have been launched by the time you're reading this) that landed in international waters off two major Taiwanese cities, and has scheduled to fire more. The US has denounced the maneuvers as provocative, irresponsible and reckless — the same words Beijing used when it warned Washington against issuing a visa to Lee.

It is necessary to recount this sequence of events because those poor, unfortunate Pinoys [Filipinos] who get their news only from American and Western sources — and they're in the majority — will be fed the bulls — that China is looking for and provoking trouble. This is clearly not the case; this ruckus was started by the Americans and the Taiwanese acting in concert over Lee's visit to the US. Publicly embarrassed, the Chinese had no other recourse but to fight back.

Thank God that, with the Soviet Union's disintegration and Russia now an American vassal-state and Boris Yeltsin an American lackey, there is one nation — and an Asian nation at that — that will not be cowed by the US and will stand up to American arrogance and bullying.

Thank God for other countries like Iran, Iraq, Cuba and Libya. Otherwise the Americans, who consider themselves a superior race, one of the great hoaxes of our times, would all of us hostage to their nuclear arsenal and grind all of us under their heels. [sentence as published]

We don't have the slightest doubt that China would go to war, including nuclear war, if Taiwan should go over the edge and proclaim itself an independent and sovereign republic. This would be an intolerant affront and insult to the People's Republic's sovereignty and self-respect. This may invite US armed intervention, and an exchange of nuclear missiles between the two

nuclear powers. Because the American's superiority is overwhelming, it is a fact they could obliterate China and its population of more than a billion.

But China should be able to strike at some American cities with its own nuclear ICBM's [Inter-Continental Ballistic Missiles] and it is this danger that may stay the bullies' hand, and counsel caution and prudence. The Americans do not absorb casualties gracefully. They retreated from Vietnam with their tail between their legs. They withdrew from Lebanon with their tail between their legs. They quit Somalia with their tail between their legs. They ended the Korean war with a stalemate. Their most brilliant military achievements since world War II have been the successful invasion of such super-powers like Grenada and Panama.

The last thing in the world the Philippines needs is a nuclear war in our region. We will be visited by a downpour of nuclear fallout, and millions of Filipinos will die. This is why we should exert every effort to help defuse the present situation. But we would be worse than useless if we followed our knee-jerk instincts and praised and defended the Americans, and condemned their adversaries at every turn.

The Americans and their Taiwanese puppets were the provocateurs who touched off with Lee's visa to the US the sequence of events that has built up to the current crisis. We should be brave enough to tell the Americans this, and fair enough to tell the Chinese the same thing. Reunification talks between China and Taiwan were moving along patiently and constructively until the US derailed them with its boorish arrogance. Our objective should be to get them resumed.

Philippines Military Chief Denies Using Nerve Gas on Muslim Rebels

*BK2203135296 Manila BUSINESS WORLD
in English 22 Mar 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Local Governments Secretary Rafael Alunan has ordered local government leaders in Maguindanao to beef up security in towns and municipalities against possible attacks by the Moro Islamic Liberation Front (MILF).

As this developed, Armed Forces of the Philippines [AFP] chief Gen. Arturo Enrile yesterday denied the use of nerve gas by the Philippine Army against the MILF. "There is no nerve gas in the inventory of the AFP. The AFP also abhors the use of such weapons," Mr. Enrile stated.

Mr. Alunan told reporters that the areas where MILF forces operate will not be evacuated despite continuous

firefights between the Muslim rebels and government troops. "I have told the local leaders to increase the security in the area to protect the civilians. It's good the religious leaders of the Christian and the Muslims are in close contact to solve the problem," Mr. Alunan said.

Philippines: Public Sector Deficit Declines to 2.7 Billion Pesos

BK2503104396 Manila MANILA BULLETIN
in English 15 Mar 96 p B-1

[Report by Fil C. Sionil]

[FBIS Transcribed Text] The government last year incurred a P[peso]2.7 billion consolidated public sector deficit (CPSD), way below the P7 billion projected deficit for the year.

Finance Secretary Roberto de Ocampo said the P2.7 billion deficit was a remarkable improvement from the 1994 deficit record of P9.2 billion.

But had oil prices been adjusted to reflect world developments early enough, the finance chief said a surplus could have been attained.

De Ocampo partly attributed the deficit to the huge oil price stabilization fund (OPSF) shortfall posted last year due to the non-adjustment of oil prices, resulting to a hefty P9.2 billion deviation from the program.

Nevertheless, the improvement in the CPSD was accounted for primarily by the P10.2 billion fiscal surplus generated by the national government, the P5.1 billion net income posted by government financial institutions and the P3.2 billion net income posted by the Bangko Sentral ng Pilipinas (BSP) [Central Bank of the Philippines].

Aside from the huge OPSF gap, the deficit incurred by the Central Bank restructuring to the tune of P19.7 billion overturned these surpluses.

Other significant deviations from the programmed deficit were attributed to the following:

— Shift by state-controlled pension funds, the Social Security System and Government Service Insurance System from government securities to placements in the private sector, (P6.5 billion deviation);

— Lower national government surplus arising from the deferment of privatization of some government-owned and controlled corporations (GOCCs) due to unfavorable market developments, (P5.3 billion deviation); and

— Shift by government corporations to build-operate-transfer schemes as the preferred mode to implement infrastructure projects and the deferment of some capital

expenditures of the National Power Corp. which resulted to lower GOCC deficits (P18.4 deviation).

The DOF said that as a result of the lower-than-programmed CPSD, borrowings of the public sector from the financial system dropped considerably, resulting in lower inflation and interest rates.

Thailand

Thai Police Official Criticizes U.S. Human Rights Report

BK2403153496 Bangkok THE SUNDAY POST
in English 24 Mar 96 p 2

[Unattributed report]

[FBIS Transcribed Text] The US government should stop meddling in the internal affairs of other countries, Police Foreign Affairs Division Commander said while rejecting a report accusing Thailand of human rights violations.

Pol Maj-Gen [Police Major General] Amarin Niamsakun said the United States should not have intervened in other nations' affairs by unfairly criticising them of human rights abuses.

Regarding accusations of illegal extraordinary murders by Thai police he insisted every incident has proceeded legally.

And he said the US government's allegation of Thai police torturing suspects was groundless and full of exaggeration.

Pol Maj-Gen Amarin also rejected allegations that Thailand has no laws to take action against brothel owners, prostitutes suppliers and brothel customers.

He said if they failed to do this every country affected by the US government's allegations should protest.

The US government recently publicised its annual report on human rights and accused Thailand of violating human rights through police brutality and prostitution.

Thai Daily Urges Banham To Raise Taiwan Issue With PRC

BK2503081796 Bangkok KRUNGTHEP THURAKIT
in Thai 25 Mar 96 p 2

[Editorial: "Thailand Should Express a Clear Stance for Regional Peace"]

[FBIS Translated Text] Prime Minister Banham Sinlapacha is leading a delegation of officials and businessmen for an official visit to China from 24 to 29 March. This visit is aimed at expanding cooperation in various fields.

In particular, Thailand wants China to play a greater role in the Mekong River Basin development project. It also wants China to solve problems in foreign investment such as those concerning land and official red tape, which Thai investors face.

We do not know how much attention the Chinese Government will pay to the problems Thailand will raise, as it is just one of several countries whose private investors slowed down their investment due to such problems. There is also no clear indication how China will remove these obstacles, which have slowed down investment in its once booming economy and rapid growth of the past few years.

In recent days, tension in the Taiwan Straits has intensified following PRC's big military exercises to intimidate Taiwan, which held its first ever presidential election after Chiang Kai-shek's government fled to the island. Beijing's intimidation against Taiwan is so serious that the U.S. had to play its international policeman role and display a show of force. Although military exercises and verbal attacks between the two sides are unlikely to escalate into war, the world community is not sure about peace in this region.

We praise Banhan for mobilizing capable persons from various fields for the visit to China, especially inviting private sector representatives to map out issues on trade and investment. China will have to fully consider these issues, such as double taxation and the disparate laws among the different provinces, which it has to tackle if it wants to join the World Trade Organization in the near future.

The intimidation against Taiwan not only affects the island's economy but also that of the whole region. We hope Banhan will be courageous enough to inform Chinese leaders that we disagree with its act of hooliganism, although Thailand upholds the one-China policy. We support China in resolving the problem without resorting to force so that there will be no repercussions on the world.

Thailand: Banhan, Delegation Depart on Official Visit to PRC

BK2403120396 Bangkok Radio Thailand Network in Thai 0530 GMT 24 Mar 96

[FBIS Translated Text] The prime minister has left for an official visit to the People's Republic of China at the invitation of Chinese Prime Minister Li Peng.

At 1055 today, Prime Minister Banhan Sinlapa-arch and his delegation, comprising some 80 high-level government officials, business people, and journalists, left

Bangkok for an official visit to the People's Republic of China from 24 to 29 March.

The prime minister said that he will discuss with Chinese officials issues related to bilateral trade and will ask China to buy more Thai agricultural products to help reduce Thailand's trade deficit. The prime minister will also examine economic development during the visit.

[Begin recording] [Banhan] I will examine their economic development in such places as Shanghai and Swatow, which will take four or five days.

[Unidentified correspondent] Since the political conflict between mainland China and Taiwan is lingering, what is our attitude toward the two Chinas?

[Banhan] I believe they know how to resolve the problem, since both sides are Chinese. We will not interfere in their affairs. Every government adheres to the one-China policy. Our visit will concentrate only on economic, trade, and investment issues. We will not mention political problems, unless they raise such issues.

[Unidentified correspondent] Thailand has economic relations with both China and Taiwan.

[Banhan] Not to a great extent. Not only Thailand but the entire world will be affected if something happens. I believe that the leaders of the two sides are rational and know what to do to resolve the problem. [end recording]

Thailand: Prime Minister Lauds Outcome of Taiwan Election

BK2503042796 Bangkok THE NATION in English 25 Mar 96 p A3

[Report by Yindi Loetcharoenchok]

[FBIS Transcribed Text] Beijing — Prime Minister Banhan Sinlapa-acha yesterday welcomed Li Teng-hui's landslide victory in Taiwan's first direct presidential election, saying the 73 year-old won democratically.

He said Li was voted in by the Taiwanese who expressed their wish on Saturday to have him continue in the role he has had for eight years.

"He was voted in democratically. The [Taiwanese] people thought him the most appropriate president. We have to respect this (the wish of the peoples)."

After repeated military threats from Beijing, the Taiwanese voted in force, 75 percent, to choose their first president after the country changed its constitution to allow direct presidential elections instead of the post being appointed by an electoral college.

Li won with 54 percent of the vote, well over double the 21 percent of his nearest rival, Peng Ming-min.

Banhan, who arrived yesterday for an official six-day visit as guest of his Chinese counterpart Li Peng, said he would not raise the China-Taiwan crisis when he holds separate meetings today with Li Peng, Chinese President Jiang Zemin, and Li Ruihuan, a senior Politburo member of the Chinese Communist Party.

He said that the Chinese leaders would themselves inform him of the latest [sentence as published] The Thai premier played down the possibility that Li's election would worsen the already tense situation between China and Taiwan, or turn the crisis into a full scale war. The tension "has already died down and within two days the situation will return to normal," he said confidently.

He said nobody knew how to resolve the situation more than the people from both countries. Other nations would not be able to [do] this. Taiwan and China have a long historical relationship (and they know how to deal with each other). We (Thailand) would not be able to solve the problem," Banhan said.

He said it was too early for him to predict Thailand's future relations with China and Taiwan in light of the new Taiwanese president saying that the Kingdom's "One-China" policy was a basic principle which the Thai Government had strictly adhered to.

In Beijing, the Chinese Government played down its military exercises in the local media with the majority of the population unaware of the extent of international concern over the latest show of Chinese force.

Chinese state television, while broadcasting the launching of the naval and army exercise, stopped short of making any commentary or linking the exercises with the election in Taiwan.

Banhan, who is the first foreign guest to visit Beijing after Li Teng-hui's elected presidency, said the timing of his trip was sheer coincidence in that it is at the time of the China-Taiwan war of words.

Banhan and Li Peng will today witness the signing of an agreement to establish a Thai Consulate General in Shanghai, a booming coastal industrial city, where most Thai investment is.

Thailand: Hmong Relocation to Holding Center Planned

BK2503023296 Bangkok THE SUNDAY POST
in English 24 Mar 96 p 3

[Unattributed report]

[FBIS Transcribed Text] The Interior Ministry plans to move some 10,000 Hmong tribesmen from the Wat Tham Krabok drug treatment centre in Saraburi to the Ban Napho holding centre in Nakhon Phanom for future repatriation.

Representatives from the ministry and related agencies met on Thursday (21 March) to discuss measures to repatriate the tribesmen to Laos, according to a ministry source.

The policy, initiated by the last government, was prompted by national security and diplomatic concerns.

Vientiane might suspect Thailand of supporting right-wing resistance groups if the Hmong were allowed to remain here, said the source.

But the relocation could be delayed as some 6,000 Laotian refugees are still at the Ban Napho holding centre pending repatriation.

These refugees have been at the camp for years after being denied resettlement in third countries.

The agencies concerned will have to discuss the repatriation of the Hmong tribesmen with Laos before they can be sent back there, the source said.

Thailand: Egyptian Foreign Minister Pays Visit

BK2303131396 Bangkok Radio Thailand Network
in English 0000 GMT 23 Mar 96

[FBIS Transcribed Text] Thailand and Egypt agreed to further strengthen their cooperation and expand bilateral ties. Egyptian Foreign Minister 'Amr Musa held a consultation with his Thai counterpart, Mom Ratchawong [royal title] Kasemsamson Kasemsi during his visit to Thailand this week.

Mr Musa referred to economic reform in his country and the setting up of the Middle East development bank in Cairo as an added impetus. Egypt, he says, is well placed to the south of the Mediterranean, with a plan to jointly set up a free trade zone with the European Union. Egypt is interested in entering into joint venture in information technology with Thailand, especially those involving medium and small companies of both countries. Both sides agreed that a Thai-Egyptian joint commission should meet in a near future, with a participation of the private sectors, in particular, the chambers of

commerce, industry, and banking. The joint commission can start working on the avoidance of double taxation and investment promotion and protection.

The Egyptian foreign minister proposed that Egypt becomes a cooperation partner with ASEAN. Thailand supports the idea and suggests that the matter be raised for consultation with other ASEAN members and ASEAN secretary general. Thailand and Egypt agreed to step up their joint anti-terrorism efforts. Thailand will render cooperation through its anti-terrorism center in Bangkok.

Thailand: Egypt's Musa Receives French Message, Leaves Bangkok

*NC2203192996 Cairo MENA in English
1727 GMT 22 Mar 96*

[FBIS Transcribed Text] Bangkok, 22 Mar (MENA) — Egyptian Foreign Minister 'Amr Musa today received an urgent message from his French counterpart Herve De Charette at the end of Musa's Asian tour.

In the message, the French minister stressed the importance of continuing coordination and consultation between Egypt and France on the upcoming Washington meeting, an offshoot of last week's summit of peace-makers held in the Egyptian Red Sea resort of Sharm al-Shaykh.

France's viewpoint is that the Washington meeting is based on the spirit of Sharm al-Shaykh summit and comes within the framework of promoting the Middle East peace process, especially in this critical stage facing the Palestinian-Israeli track of talks, he said.

The Egyptian top diplomat left Bangkok tonight after a two-day visit to Thailand that covered talks with Thai senior officials.

During his stay in the Thai capital, Musa delivered a lecture at a symposium attended by a large number of economic experts and academicians.

The lecture covered Egypt's regional role and its [word indistinct] move to support economic reforms and set up constructive ties with the world's major economic blocs.

Musa also met with 'Abd-al-Rahman Saman, representative of the Muslim community in Thailand estimated at six million. During the meeting, Saman expressed gratitude of Muslims in Thailand for the assistance they received from al-Azhar Mosque.

Musa's visit to Thailand comes at the end of an Asian tour which took him to South Korea, Malaysia, and Thailand.

Thailand: Banhan Holds Talks With Polish Counterpart

*BK2103131796 Bangkok Radio Thailand Network
in Thai 0530 GMT 21 Mar 96*

[FBIS Translated Text] Prime Minister Banhan Sinlapacha, accompanied by his wife, Deputy Prime Minister Air Chief Marshal Sombun Rahong, Foreign Minister Mon Ratchawong [royal title] Kasemsamson Kasemsi, and Deputy Communications Minister Chaiphat Sriwat, held a welcome ceremony for Polish Prime Minister Wlodzimierz Cimoszewicz, his wife, and delegation at government house at 1030 this morning. The prime minister accompanied the Polish prime minister to a podium where they stood to review the guard of honor of the three services. After that, the prime minister held official talks with his Polish counterpart.

Following the official talks, a ceremony to sign an agreement on scientific and technological cooperation between the Kingdom of Thailand and the Republic of Poland was held at government house. Prime Minister Banhan also hosted a luncheon in honor of the Polish prime minister and delegation this afternoon. At 1730 today, Prime Minister Banhan will accompany the Polish prime minister and his wife to an audience with His Majesty the King at Chitlada Palace.

Thai Politicians Close to Prime Minister Make Presence Felt

*BK2303131196 Bangkok THE NATION in English
23 Mar 96 p A2*

[Report by Prakopphong Panaphon]

[FBIS Transcribed Text] Although considered the most diversified Senate in recent history, the new upper House, formally unveiled yesterday, still contains names which raise questions.

Former Chat Thai MP Nipon Wisityutthasat, who failed in the last general election, is among the 260 new senators. So is Borom Tanthian, a former Phang Nga MP.

Unofficial reasons given for their inclusion were that Nipon would be a good coordinator between the coalition government and the Senate, while Borom represents the mining industry.

Politicians close to Prime Minister Banhan Sinlapacha marched into the new chamber. Among them are former Suphan Buri governor Somphong Siyaphan, a tenaciously pro-Banhan bureaucrat, and former interior permanent secretary Anan Anantakun, who is known to be close to the Chat Thai Party.

Somphong has served as personal adviser to Banhan, who has relied on his experience while doubling as prime minister and interior minister.

Another provincial governor who has been helpful to Banhan in his capacity as interior minister, Somnuek Kerdhat, was also included in the senatorial list.

Other prime ministerial advisers also made their way to the upper House. They are Sukhon Kanchanalai, Khosit Pasplamrat and Taron Itsarasena.

Democrat Suwarot Phalang questioned the presence of several politicians linked with ruling parties in the new Senate, which is supposed to be politically neutral.

This means the number of Chat Thai politicians in Parliament has jumped to more than 100," he said.

A first-time senator, Sunthon Sathianthai, is the father of Finance Minister Surakiat Sathianthai, the "whiz kid" who shaped Banhan for the premiership.

The appointment of Krongkan Wisommai, a failed House candidate from the New Aspiration Party (NAP), is believed to have been influenced by NAP leader Chawalit Yongchaiyut.

Phaisan Phutmongkhon, who owns a law office and several other businesses, and is said to be a financier of the NAP.

The Prachakon Thai Party also saw its people joining the new Senate — failed election candidate Prakit Phutthanakun and Thakina Sawananon, wife of Bangkok MP Decho Sawananon.

Senators Narongchai Akkharaseni and Thaloeng Thamrongasawaswat are confounders of the Nam Thai Party and advisers to Deputy Prime Minister Annuai Wirawan, the Nam Thai leader.

Thai Senate 'Overwhelmingly' Dominated by Businessmen

BK2403083696 Bangkok THAILAND TIMES
in English 23 Mar 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — A new Senate is overwhelmingly dominated by businessmen — in sharp contrast to the previous Senate which was largely controlled by the military.

There were 120 business sector appointees, 101 new senators from the civil service, but only a mere 39 active military officers were appointed at the behest of Defense Minister Chawalit Yongchaiyut.

In a slight move towards gender equality, 21 women were appointed, compared with only nine in the former body.

The former Senate, appointed by the National Peace-keeping Council in 1991, comprised over 100 active and retired military officers and 45 businessmen. The rest of the body comprised members of the media, lawyers, bankers, physicians and architects. Cabinet Secretary-General Wisanu Khruangam said the screening committee chose 240 senators while Banhan personally chose 20.

The 120 businessmen appointed comprise people from various sectors such as banking, hotel and tourism, real estate, export, heavy industry, the music business, and agribusiness.

Other appointees included writers; representatives of religions; representatives of groups working for the disabled; environmentalists.

However, only one farmer, Wibun Khemchaloem, was granted a seat — despite the fact that 80 percent of the Thai population make their living farming.

Quite conspicuously, most of the country's banking tycoons were appointed. These included Som Chatusiphithak, president of the Siam City Bank; Olan Chaiprawat, president of the Siam Commercial Bank; Chatri Sophonphanit, chairman of Bangkok Bank; and Phothisong Lamsam, whose family controls the Thai Farmers Bank.

Other prominent businessmen appointed were real estate tycoon Anan Kaachanaphat of Bangkok Land; Adisai Phothisamit of the telecommunications company, Jasmine Group; Phothisop Phonprapha of Siam Motors; Sophon Suphaphong of Bangchak Petroleum; and Chanat Piya-oui, owner of the Dusit hotel chain.

The other Senate appointees are from government organizations including universities, state enterprises and all ministries. Police Chief Phot Bunyachinda was chosen to represent law enforcement.

All newly-appointed senators will assemble at the House sometime in early April next week to pledge allegiance and select the Senate speaker and two deputies. Weng Tochirakan, secretary-general of the Democracy Confederation, said the new Senate is an improvement over the previous one because the military's role has been minimized.

However, Democrat Phichet Phanwichatkun complained that many of the newly-appointed senators have close ties with the coalition parties.

The opposition member took particular exception to the fact that political reform activist Dr Prawet Wasi was not appointed.

"Where is Dr Prawet Wasi?" he asked, adding "Does it mean all 260 senators are better than Prawet?"

Prawet is a well-known academic and former chairman of the defunct Democracy Development Committee, which initiated a political reform movement. The movement was endorsed by Banhan but he has not yet implemented any reforms.

Thai Supreme Commander, Air Force Chief Comment on Senator List

*BK2303133896 Bangkok THE NATION in English
23 Mar 96 p A2*

[Unattributed report]

[FBIS Transcribed Text] Supreme Commander General Wirot Saengsanit yesterday questioned the transparency of the senatorial appointments.

"I don't think (the appointments) can be called transparent. They may, in fact, be the opposite," he said.

He said he believed the government could explain why certain people were appointed to the Senate.

Wirot's comments followed the announcement of the senatorial list. The Supreme Commander denied reports that he would not accept the senators post. "I said I may not accept it. I didn't say I wouldn't," he explained.

Commenting on the decrease in military members of the Senate, Wirot said the government had told the armed forces it wanted to include more people from other occupations in the Upper House.

"We are all Thais, so the soldiers said okay. The government said it would set aside 39 seats for the military and we (the armed forces) submitted 39 names," he said.

Air Force chief ACM [Air Chief Marshal] Siriphong Thongyai said yesterday he agreed to the fact that the senatorial nominations were distributed among more occupations than in the past.

"This is the best method, the most suitable," he said.

Thai Ministry: 1996 Trade Deficit Rose 40 Percent

*BK2503055596 Bangkok BANGKOK POST
in English 25 Mar 96 p 19*

[Unattributed report]

[FBIS Transcribed Text] Thailand's trade deficit last year rose by 40 percent over the previous year to 362 billion baht, according to a Commerce Ministry source.

The Business Economics Department said exports last year totalled 1.4 trillion baht, up 23.4 percent from 1994, and topping the government's target of 1.36 trillion baht, which would have been a 19.6 percent rise.

Imports totalled 1.73 trillion baht, up 26.4 percent over 1994.

The source said exports increased in every sector, especially among industrial products. These had been forecast to reach 767.4 billion baht, a 14.1 percent increase. But the actual performance was 929.3 billion baht, up 22.7 percent.

Exports of agricultural products exceeded the target of 218.4 billion baht, reaching 224.7 billion baht. Exports of agro-industrial products were 123 billion baht, minerals and fuel 6.1 billion baht and other products 121.3 billion baht.

Imports of capital goods totalled 760.3 billion baht, up 26 percent, and raw materials 558.5 billion baht.

Thailand imported 141.1 billion baht worth of consumer products and 130.9 billion baht worth of automobiles and transportation equipment.

The trade deficit of 362 billion baht, representing 8.8 percent of gross domestic product, is one component of the high current account deficit. Curbs on the import of luxury products are one measure the government is looking at to reduce the deficit.

The Export Development Committee will meet on April 3 to examine the country's export performance and may forward some new recommendations to the Cabinet.

Thai Daily Urges Government To Improve Labor Situation

*BK2503045296 Bangkok THE NATION in English
25 Mar 96 p A4*

[Editorial: "Foreign Workers No Answer to Labour Ills"]

[FBIS Transcribed Text] Since Thailand's economy took off on its double-digit growth trajectory in the mid-1980's, successive governments have done little to improve or protect the rights of workers. Most government action — or inaction — has had the effect of undermining workers' ability to negotiate a greater share of the tremendous wealth that has been generated during the last decade.

Unions have been disbanded, some work stoppages outlawed, labour leaders have disappeared, and significantly, the government has allowed virtually unfettered

flows of illegal foreign migrant workers into the country. It is now estimated there are more than two million illegal foreign workers in Thailand.

While these migrant workers invariably do the dirtiest and most hazardous work, jobs that Thais are increasingly unwilling to do, their presence also reduces pressure on employers to raise wages throughout the whole labour force.

Officially, a minimum wage has been adjusted each year to keep blue collar workers' pay just above the rate of inflation. But in reality it is rarely enforced and more than half the employers in the country admit they don't pay it. The government has also done little to enforce or upgrade safety or environmental regulations.

The result has been the creation of one of the world's most inequitable societies. Thailand now ranks fifth in terms of countries with the worst pattern of wealth distribution. The only countries worse off are a handful of South American states, all of which had economies distorted by slavery, landlordism, and plantation economics.

The upside of this policy can be seen in Thailand's impressive trade figures. The downside is in tragedies like the Kader factory fire which killed 188 people, mostly young women employees, and gave Thailand the inglorious distinction of being home to this century's worst factory fire.

Little Government Help [subhead]

Despite the almost willful manner in which Thai labour has been treated by the government, it has responded to the needs of Thailand's fast changing economy in a manner few observers would have dared predict at the beginning of the 1980's. Within a stunningly short time, Thailand has gone from being a base of cheap, unskilled labour into an economy dominated by medium technology manufacturing such as computer and electronic components. Other ranking exports include jewellery and leatherwork and higher-end textiles, all which require a skilled workforce.

This transformation was achieved with little help from the government. Thai migrant workers returned from overseas with skills, companies were forced to introduce inhouse training. Japanese firms sent workers back home for training. Somehow the labour force just adapted.

Thailand, however, is now at a turning point. Unlike the other Tiger and Tiger Cub economies in Asia, the Bangkok bureaucrats have not played a leading role in directing capital or managing resources such as manpower with long term goals in mind. In Thailand, it

was done by entrepreneurs and businesses seeking fast profits.

As a result, Thailand has not developed the human resource bases of countries like South Korea, Japan, Singapore or even Malaysia. With a world full of developing countries hawking their cheap labour and technology and capital flowing at blinding speed, Thailand will have to do more than keep squeezing its workers if it wants to attain its development goals.

It is at such historical crossroads that great leaders step forward.

Prime Minister Banhan Sinlapa-acha, however, is sending all the wrong signals.

His latest was last week's decision ruling out a minimum wage for migrant workers.

Cheap Labour

While it would be unlikely most employers would respect an officially mandated minimum wage, Banhan's statement sends a message to businessmen that the way to future growth is through cheap labour.

This is entirely the wrong message. Having access to cheap, easily exploitable labour discourages businessmen from upgrading their technology or investing in training their Thai workers. In today's highly competitive globalized economy, it is a recipe for disaster. If Thailand wants to continue to compete in the world economy, to continue to lead it in terms of growth, it must follow the upward technology curve it has ridden for the last 10 to 15 years.

Implicitly inviting large numbers of foreign workers to Thailand also raises the spectre of introducing new social pressures and problems. Most studies of migration show that illegal workers rarely go home. Instead, they arrive, find work and then bring their families and friends along as well. Such patterns are fine when the economy is booming but what happens when the economy slows? Migrant workers can bring laissez-faire economic benefits but they can also bring social problems which recent governments have shown little interest in addressing.

Finally, and perhaps most importantly, there is the question of social justice. The urban elite and big provincial businessmen now enjoy unprecedented prosperity because of Thailand's tremendous economic growth. For the vast majority of the population, with one foot in the slumping village and another in an uncertain city world, there has been little to show for their labour.

It is time to give something back to labour, not just seek to replace it with a cheaper foreign model.

Vietnam

SRV: Cambodian King Receives Party Delegation, Stresses Tie*BK2503095696 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 21 Mar 96*

[FBIS Translated Text] The National United Front for a Cooperative, Independent, Neutral, and Peaceful Cambodia — known as FUNCINPEC, formed by King Sihanouk in 1981 and currently one of the ruling parties of the Royal Cambodian Government — held its second congress in Phnom Penh yesterday morning (21 March). A delegation of the Communist Party of Vietnam (CPV) attended the congress. It was led by Comrade Hong Ha, secretary of the party Central Committee and head of the Central Committee Foreign Relations Department, who delivered a speech. Speaking at the opening session, FUNCINPEC Chairman Norodom Ranariddh expressed his firm belief that FUNCINPEC will achieve national solidarity and unification as well as the development of the party.

Cambodian King Norodom Sihanouk received the CPV delegation led by Comrade Hong Ha, secretary of the Central Committee and head of the Central Committee Foreign Relations Department, at the Royal Palace in Phnom Penh yesterday morning. Comrade Hong Ha conveyed greetings and wished good health to the Cambodian king and queen on behalf of General Secretary Do Muoi and President Le Duc Anh. He expressed joy at the king's good health and highly valued the fine and valuable sentiments the king has expressed toward the Vietnamese people.

King Norodom Sihanouk expressed his profound gratitude to General Secretary Do Muoi, President Le Duc Anh, our party and state leaders, and the Vietnamese people for their fine and friendly sentiments toward the king, queen, and Cambodian people, especially for the warm reception he received during his 1995 visit to Vietnam. The king affirmed his determination to consolidate the great friendship between the two peoples and expressed his hope that the SRV and the Kingdom of Cambodia will never cease to develop their traditional relations. We shared wealth and woe during the liberation war for national independence and are now cooperating for the prosperity of both countries. The king held that during the process of developing relations it is inevitable that some problems will arise, but noble friendship should be considered the most important basis for solving all problems through peaceful negotiations. The king felt optimistic about the future of relations between the two countries and about the future happiness of both peoples. He stressed that he has always held this belief.

SRV: Cambodian Second Premier Pledges Peace for Border Issues*BK2403071696 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Mar 96*

[FBIS Translated Text] Second Premier Hun Sen of the Royal Cambodian Government just confirmed that his country's government would strive to solve the border issue with Vietnam by peaceful means, and would not allow any attempt to solve the issue by force.

Premier Hun Sen stressed that the Cambodian Government and the two premiers will not allow another bloody war to occur again in Cambodia.

SRV: Osaka Businessmen Assured on Improved Investment Law*BK2203150596 Hanoi VNA in English 0635 GMT 22 Mar 96*

[FBIS Transcribed Text] Hanoi VNA March 22 — Deputy Prime Minister Phan Van Khai has said that the Vietnamese Government will make further efforts to improve its legal code on investment from foreign countries and simplify its procedures.

Mr. Khai was speaking to a delegation to Vietnam and other Asian countries of major trading houses and manufacturers from the Osaka region of western Japan in an organization called the Kankeiren (Kansai Economic Federation).

The delegation led by Mamoru Hashimoto, vice chairman of Kankeiren and also of Marubeni Corporation has paid a five-day visit to Hanoi and Ho Chi Minh City.

Mr. Hashimoto told a press conference in Hanoi yesterday that the 870 member companies of Kankeiren were looking for opportunities to invest in Vietnam and other Mekong countries.

He said that many of his large delegation, on their first visit to Vietnam, were impressed that Vietnam was an attractive destination for investment, as Vietnamese people were hard working, creative, and intelligent.

He also said that he believed that Vietnam's capability of attracting foreign investment in the future would not lessen compared with other ASEAN-member countries, as Vietnam was implementing administrative renovation, particularly with entry and exit visas procedures, improving, facilitating favourable conditions for foreign investors entering the country.

During its stay in Vietnam, Kankeiren and Vietnam's Chamber of Commerce and Industry signed a joint co-operation agreement on March 19 to increase trade and business collaboration between the two countries.

VIETNAM NEWS today quotes Kiyoshi Seki, Kankai's high-level director and executive director of the electrical equipment company Matsushita, as telling the press conference Vietnamese leaders had assured the delegation that the investment environment would be improved.

Mr. Seki said Matsushita was entering into a joint venture with the Vietnamese company Vietronic in Ho Chi Minh City to manufacture electronic products, including TVs and radios with famous trade marks such as National and Panasonic in Vietnam.

The USD 3 million project is expected to start production by the end of this year.

SRV: Tax Agreement With Russia Extended 21 Mar

BK2203154196 Hanoi VNA in English
1422 GMT 22 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 22 — Vietnam and Russia signed a document extending the effect of the agreement on avoidance of double taxation and prevention of tax evasion yesterday in Hanoi.

The document was signed by Vice Foreign Minister Nguyen Dy Nien and the Russian Ambassador to Vietnam, R.L. Khamidoulin.

The agreement was last signed by the two countries in May 1993, in Hanoi.

SRV Deputy Prime Minister Receives Yemeni Delegation

BK2303101796 Hanoi VNA in English
0643 GMT 23 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 23 — Deputy Prime Minister [P.M.] Phan Van Khai received here yesterday a delegation of the Yemeni Government led by Minister of Health Najib Sa'id Ghanim.

The delegation was here to attend the first session of the Vietnam-Yemen inter-governmental joint commission for economic commercial, cultural, scientific and technological cooperation held from March 20-22.

At the reception, Mr. Najib Sa'id Ghanim briefed the deputy prime minister on the results of the session and reaffirmed the further development of the friendship and cooperation between Vietnam and Yemen.

He also expressed the Yemeni Government's wish to further promote the all-sided cooperative ties between the two countries, especially in health, economy, trade, industry, culture and information.

Deputy P.M Khai told his guests about social and economic achievements recorded by the Vietnamese

people in their national renovation. He stressed that the Vietnamese Government has always been ready to support and encourage central and local offices to effectively implement documents signed between the two countries, and expressed his wish for further promotion and development of the friendship and cooperation between Vietnam and Yemen.

During the meeting, an agreement on trade cooperation was signed between Minister of Trade Le Van Triet and Minister Najib Sa'id Ghanim. The minutes of the commission's first meeting, and a memorandum of understanding on personnel training and community-based healthcare were signed by Minister Do Nguyen Phuong and Minister Najib Sa'id Ghanim.

While here, the Yemeni Government delegation also had working sessions with the Ministries of Trade and Industry, and visited some research institutes and hospitals under the Vietnamese Ministry of Public Health, and some enterprises.

SRV: All Party Committees Complete Grass-Roots Congress

BK2503142396 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 23 Mar 96

[FBIS Translated Text] All localities in the entire country had basically completed their party congresses at the grassroots level as of 10 March.

According to evaluations by the provincial and city party committees, the grassroots party congresses were satisfactorily prepared and closely supervised. The number of party members attending the congresses held by party chapters and committees reached from 90 percent to more than 95 percent of total party members. The atmosphere at the congresses was enthusiastic and trusting. Opinions expressed at the congresses were open, lively, spirited, and demonstrated democracy and unity. Many localities conducted criticism and self-criticism in a strict manner with a high fighting spirit. Many places paid special attention to the soliciting of the opinions contributed by mass organizations and people's deputies.

The grassroots party congresses spent most of their time discussing reports on the situation and the duty of the party committees at the grassroots and higher levels.

SRV: Labor Code Violations at Foreign Invested Firms Noted

BK2503020896 Hanoi VNA in English
1239 GMT 24 Mar 96

[FBIS Transcribed Text] Hanoi VNA March 24— Breaches of the Labour Code at different levels have

been found in many foreign invested businesses across the country. In Dong Nai alone, last year saw seven major cases of labour disputes and a number of strikes.

In recent years, many labour policies applied in various foreign-invested businesses have not been pursuant to Vietnam's Labour Code. As a result, various forms of labour abuse have emerged such as low payments, prolonged overtime shifts, and poor performance of social and health insurances. In some enterprises, the shifts were prolonged by two to four hours a day, especially in the garment and footwear companies where workers often have to work in one or two shifts.

In one particular month the Tae Kwang Company increased each shift by four hours and the Rooshing Company forced its workers to begin work 15 minutes earlier and finish 30 minutes later than scheduled without any extra payment.

There have also remained big gaps in the average salaries of employees working in foreign-invested businesses. The average salary is between USD [U.S. dollar] 35-55 a month for each worker in the textile, garment, weaving, and shoe making enterprises while it is from USD 80 to 100 for those working in other consumer goods sectors. The Ajinomoto Company, CP Vina Company, BHP Corporation, CIC Enterprises and others have paid USD 80-100 or even USD 120 per month.

A number of Vietnamese workers in some foreign-invested enterprises have been subject to such humiliations as unreasonable punishing, scolding, insults and beating. A worker was beaten unconscious by a foreign expert at the Dong Xang Company. A number of workers at the Chon Shing Company were punished by having to stand and sit down many times. At the Taya Company Vietnamese employees had to stand up to greet foreign staff before having meals.

Since early 1995, the Vietnam's Labour Code and other relevant legal documents have been introduced to all foreign-invested enterprise directors and managers to help them to do business in the province. However, according to the provincial labour organization, only nine out of the 43 foreign-invested companies and enterprises have signed labour contracts with employees, and only half of these establishments have introduced the Labour Code to their Vietnamese workers.

Moreover, most of the businesses in question had not set up trade union organisations. To date, 30 trade union organisations have been formed in foreign-invested companies and enterprises in the province with a total of more than 6,000 members. Most of these organisations have played their role of protecting the legitimate rights

of the workers. The trade unions at the Bulltel, Nafovay, Ajinomoto, Proconco and other companies represented the collective employees to negotiate with the employers to sign labour contracts or to make amendments and supplements to the signed contracts to suit the specific conditions in each company, or to take part in solving disputes according to law.

Many Vietnamese employees working at foreign-invested enterprises and companies, were also not well trained in industrial workstyles and labour discipline. However, it is regrettable that some of the Vietnamese working as managerial officials at these companies or enterprises who had high wages paid little attention to the interests of the Vietnamese workers under their charge.

Foreign investment has been growing in Dong Nai with every passing year with a rise by 232 percent last year over 1994. To date, the province has had 143 licensed projects with a total investment capital of USD 2.31 billion. More than 23,000 people have been employed at 43 companies and enterprises (excluding 1,000 people being trained overseas. Most of these workers are between 18-25 years old and have secondary school education.

SRV Meeting Held on Encroachment of Yen Phu-Nhat Tan Dike

*BK2503071596 Hanoi HANOI MOI in Vietnamese
15 Mar 96 p 1*

[Report by T. Q.]

[FBIS Translated Text] A meeting was held on the afternoon of 13 March to review phase two of measures to deal with the Yen Phu-Nhat Tan dike. Comrade Luong Ngoc Cu, vice chairman of the Hanoi People's Committee chaired the meeting.

Since the beginning of 1996, urgent technical measures have been taken in the area of the Yen Phu-Nhat Tan dike. Responsible departments and branches have filled up some ponds, built 300 meters of road, began construction on the first stage of a 2,500 square meter dike reinforcement project, and dug 130 cubic meters out of 220 cubic meters for a new drain. They have put up all the traffic signs on the five-kilometer roads on both sides of the dike, built surrounding walls, placed markers, and plugged leaks in 99 out of 114 places (including 59 places in Yen Phu subward, 23 places in Quang An subward, and 17 places in Tu Liem subward). However, the government at all levels have not taken any steps to prevent and deal with the encroachment in the protected area of Yen Phu-Nhat Tan dike. In particular, the house of Mr. Nguyen Van Y has not been removed.

25 March 1996

SOUTHEAST ASIA

75

Regarding administrative penalty, the assessment committee of Tay Ho precinct and Hanoi Municipality has decided to fine 236 families a total of five billion dong. However, so far, only 205 families have been served fine notices. Some families have intentionally avoided receiving them. The payment of the fines has been very slow, with only 10 out of 236 families having paid fines worth 115 million dong (or about 2.3 percent of the total). From now until the end of March, the Hanoi Mu-

nicipality will remove all encroaching buildings. At the same time, it will use all measures (persuasion, encouragement, coercion, and so forth) to collect fines. The Hanoi Municipality has instructed the Tay Ho precinct authority to coordinate with all responsible departments and branches to carry out this task and they should consider this the most important political duty of Tay Ho precinct.

Australia**Australia: Government Welcomes Signing of
Nuclear Free Zone Treaty**

*BK2503075296 Melbourne Radio Australia
in English 0600 GMT 25 Mar 96*

[FBIS Transcribed Text] Australia has welcomed the signing of the treaty by the United States, France, and

Britain. Prime Minister John Howard says the ceremony in Fiji ends the unhappy chapter of nuclear testing in the South Pacific. Mr. Howard says all Australians hope the signing will have a positive influence on the final stages of the negotiation of a comprehensive test ban treaty which is due to be concluded by the end of the year.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. *Copying and dissemination is prohibited without permission of the copyright owners.*

- Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.
- Headlines and all bracketed explanatory notes are supplied by FBIS.
- Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2804
Washington, DC 20013-2804
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4830
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.

